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Forests: progress, challenges and the way forward for the international arrangement on forests

Reviewing progress towards the achievement of the global objectives on forests and the implementation of the non-legally binding instrument on all types of forests

Report of the Secretary-General

Summary

The present report consolidates and summarizes information submitted by 81 Member States for the eleventh session of the United Nations Forum on Forests, which is the highest number of reports ever presented to the Forum, on actions taken and progress made towards implementing the non-legally binding instrument on all types of forests, the four global objectives on forests and the contribution of forests and sustainable forest management towards the achievement of the Millennium Development Goals. The report is submitted pursuant to resolution 7/1 of the United Nations Forum on Forests, in particular paragraph 1 (c) of the annex thereto.

* E/CN.18/2015/1.

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I. Introduction

1. In December 2007, in its resolution 62/98, the General Assembly adopted the non-legally binding instrument on all types of forests as contained in the annex to that resolution, with the purpose of:

(a) Strengthening political commitment and action at all levels to implement effectively sustainable management of all types of forests and to achieve the shared global objectives on forests;

(b) Enhancing the contribution of forests to the achievement of the internationally agreed development goals, including the Millennium Development Goals;

(c) Providing a framework for national action and international cooperation.

2. The present report is submitted pursuant to resolution 7/1 of the United Nations Forum on Forests, in particular paragraph 1 (c) of the annex thereto (see E/2007/42-E/CN.18/2007/8, chap. I, sect. C), according to which the Forum shall hold a discussion at each session on the achievement of the global objectives on forests and the implementation of the non-legally binding instrument on all types of forests. Moreover, according to the multi-year programme of work of the Forum for the period 2007-15 adopted by the Forum in its resolution 7/1, the eleventh session of the Forum will review progress towards the achievement of the global objectives and the implementation of the instrument, and review the contribution of forests to the internationally agreed development goals, including the Millennium Development Goals.

3. The report draws on information from 81 country reports submitted for the eleventh session of the Forum, the country reports submitted for previous sessions of the Forum, since 2008 (see annex), the views and proposals submitted on the review of the international arrangement on forests, the report on the independent assessment of the international arrangement,[1] the Global Forest Resources Assessment for 2010 and the *State of the World's Forests 2014*, both of the Food and Agriculture Organization of the United Nations (FAO), and other publications, including the Status of Tropical Forest Management 2011 prepared by the International Tropical Timber Organization. At the time of writing of the present report, the data for the 2015 edition of the Global Forest Resources Assessment were still in the process of analysis and therefore were not available for inclusion in the report.

4. The national reports provide a wealth of information on activities, challenges and success stories and on action taken by countries to achieve sustainable forest management. The secretariat of the Forum will prepare a background document on the implementation of the instrument and progress towards achieving the global objectives on forests and the Millennium Development Goals, which will provide additional examples of action reported by countries.[2]

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[1] Available from www.un.org/esa/forests/iaf-assessment.html.

[2] In order to comply with General Assembly resolutions on the control and limitation of documentation prepared by the Secretariat and the guidelines of the Secretary-General for reports drafted and/or compiled by the Secretariat, the information received from Governments has not been reproduced in the present report, as this would have exceeded the acceptable page limit.

5. The recommendations and key action points from the present report are taken into account in the conclusions and recommendations of the report of the Secretary-General on reviewing the effectiveness of the international arrangement on forests and consideration of all future options (E/CN.18/2015/2), for the consideration of the Forum in its decision on the future of the international arrangement on forests.

II. Reports submitted for the previous sessions of the Forum

6. The first call for national reports on progress in the implementation of the non-legally binding instrument on all types of forests and its global objectives on forests produced limited results, with only 21 countries submitting national reports for the eighth session of the Forum. This reflected the fact that countries had limited opportunities to initiate new actions owing to the short time that had elapsed since the adoption of the instrument. Similarly, only 22 countries provided national reports for the ninth session of the Forum.

7. The small number of national reports provided for the eighth and ninth sessions of the Forum provided a limited view of overall progress and achievements at the global level. Nevertheless, it should be noted that most countries that provided reports generally felt positive about their actions in support of the instrument and the attainment of its objectives.

8. At its ninth session, the Forum requested the secretariat to develop a streamlined reporting format, in consultation with other members of the Collaborative Partnership on Forests, for reporting to the Forum at its tenth session. The Forum also invited Member States and members of the Collaborative Partnership to initiate and support pilot projects on implementation of the instrument. Accordingly, a streamlined reporting format[3] was developed, following extensive consultations, including with 136 national and international experts from 78 countries and through five regional capacity-building workshops jointly organized by the secretariat of the Forum and the Forestry Department of FAO. Moreover, FAO, in cooperation with the Governments of Germany and Japan, supported a number of pilot projects on the implementation of the instrument, including in Ghana, Liberia, Nicaragua and the Philippines. In addition, seven countries (Gabon, India, Kenya, Mongolia, Nigeria, Zambia and Zimbabwe) were supported in efforts on awareness-raising, stocktaking, priority-setting and reporting.

9. Such measures and awareness-raising actions created further interest among countries, and a total of 57 reports were submitted for the tenth session of the Forum. Countries provided valuable information on how, and the extent to which, they had implemented policies and measures contained in the instrument. This largely qualitative information submitted by countries was supported with quantitative data from the Global Forest Resources Assessment for 2010, prepared by FAO.

[3] For further information, see www.un.org/esa/forests/pdf/unff10_reporting_template_final_web.pdf.

III. Progress towards implementation of the non-legally binding instrument on all types of forests and the global objectives on forests

A. Creating an enabling environment and strengthening political commitment for sustainable forest management

10. National reports submitted since 2008 have demonstrated an increase in activities and actions, at both the national and international levels, to implement sustainable forest management. The non-legally binding instrument on all types of forests provides a valuable framework for national forest-related actions and many countries have taken this into account when designing their national forests policies and legislation. In particular, the supporting role of the instrument was highlighted by developing countries, many of which have introduced new forest-related policy measures since 2007. Meanwhile, developed countries typically reported on amendments to existing, long-established measures aimed at securing sustainable forest management.

11. In its article 6, the instrument calls upon countries to develop, implement and update national forest programmes or other strategies for sustainable forest management and to identify actions and measures, policies or specific goals. Of 81 countries reporting to the Forum for its eleventh session, 63 had introduced new forest legislation or amended existing forest legislation, 66 had introduced a new forest policy or amended existing forest policy, 50 had introduced a new national forest programme or amended an existing one, 32 had undertaken action relating to forest land tenure and 30 had undertaken other measures.

12. The benefits of public participation and cross-sectoral coordination in sustainable forest management are also recognized in article 6. Nearly all responding countries confirmed taking measures to strengthen coordination across ministries and departments whose policies have an impact on or may affect forests. In general, this cooperation was more often deemed effective with departments and/or ministries responsible for agriculture and/or rural development, climate change and environment, but less often deemed effective in relation to departments and/or ministries responsible for energy, tourism or mining. Countries also highlighted the importance of coordination with departments and/or ministries responsible for economic planning, finance, trade and industry, as well as regional development, community affairs and indigenous peoples. Coordination mechanisms include interministerial committees, commissions and memorandums of understanding between departments and/or ministries.

13. In most countries, established round tables and/or committees meet on a regular basis (in 43 of 76 countries) and forest authorities meet with stakeholders on an ad hoc basis as issues affecting them arise (in 64 of 78 countries). While mechanisms for promoting consensus with forest workers (in 39 of 56 countries), indigenous communities (in 20 of 32 countries), non-governmental organizations (in 36 of 63 countries) and local communities (in 36 of 67 countries) were considered effective by the majority of countries, fewer than half said that measures relating to the private sector (in 29 of 61 countries) or the general public (in 17 of 56 countries) were effective, although nearly all countries did regard these measures as at least

partially effective. Countries provided many examples of the increase in public awareness of the benefits provided by forests.

14. Two thirds of countries reported inclusion of forests and/or sustainable forest management in national development plans and/or strategies. Additionally, 15 countries reported on other steps taken to raise the importance of forests and sustainable forest management, including climate change-related policy approaches and positive incentives on issues relating to reducing emissions from deforestation and forest degradation in developing countries; and the role of conservation, sustainable management of forests and enhancement of forest carbon stocks in developing countries (REDD-plus) and national adaptation programmes of action, national biodiversity strategies, policies for protected areas, community forestry and participatory forest management programmes, poverty reduction strategy papers, economic development programmes, agroforestry and related food production programmes, policies for combating desertification and watershed management plans. Most countries also reported an increased awareness of the importance of forests and/or sustainable forest management to both sustainable development (in 64 countries) and poverty eradication (in 46 countries). Approximately half of reporting countries said that more domestic public resources are devoted to activities relating to sustainable forest management (39 countries) and about one third said that more official development assistance had been programmed to such activities (25 countries).

15. A total of 69 countries reported on steps taken since 2007 to prevent and reduce international trafficking of illegally harvested forest products. Frequently reported measures were improved enforcement of existing legislation (in 57 countries), export controls (in 49 countries), import controls (in 44 countries), new legislation (in 41 countries) and bilateral agreements between exporting and importing countries (in 22 countries); in addition, 24 countries reported on other actions, such as those relating to the Convention on International Trade in Endangered Species of Wild Fauna and Flora. States members of the European Union (and Norway) reported on actions to implement the European Union timber regulation, which prohibits operators from placing illegally harvested timber and products derived from illegal timber on the market in their countries; voluntary partnership agreements are another element of the European Union Forest Law Enforcement, Governance and Trade Action Plan. The Congo, Ghana and Liberia reported that they had entered into voluntary partnership agreements with the European Union, while Côte d'Ivoire and Viet Nam reported ongoing negotiations with the European Union about a voluntary partnership agreement. The United States of America has intensified efforts to combat forest-related crime domestically, with a focus on cooperative efforts to implement the amended Lacey Act (2008). Since 2007, the United States Agency for International Development has allocated around $125 million to combat wildlife trafficking.

16. Several timber-exporting countries have introduced bans on the logging of particular species of trees (e.g., Côte d'Ivoire, Kenya, Kyrgyzstan and Madagascar) and bans on the export of charcoal (e.g., from Jamaica, Kenya and Nigeria). Countries also reported on bilateral and multilateral programmes, including the role of international organizations (such as the International Criminal Police Organization (INTERPOL), the International Tropical Timber Organization and the United Nations Office on Drugs and Crime) as well as partnerships between the public, private and voluntary sectors. Other multilateral initiatives reported on

include the Experts Group on Illegal Logging and Associated Trade of the Asia-Pacific Economic Cooperation; the Protocol on Environment and Natural Resources Management of the East African Community; the consultation mechanism between States members of the Economic Community of West African States to help fight cross-border trafficking of natural resources; the European Neighbourhood and Partnership Instrument and the South Asia Wildlife Enforcement Network. Measures taken to improve the enforcement of existing legislation include enhancing surveillance capacity; developing integrated electronic information systems for tracking the movement of timber (e.g., in Brazil and Guatemala); strengthening the capacity of government regulatory agencies and improving the coordination between forest services and the police, military and customs officers at all levels; and training prosecuting lawyers and judges.

17. A majority of countries use criteria and indicators to assess progress towards sustainable forest management, or are currently working on the development, piloting and implementation of criteria and indicators. Approaches include a national set of criteria and indicators (in 42 countries), a regional and/or international set (in 39 countries), and other criteria and indicators (in 13 countries). These criteria and indicators are used to generate information for national reports on forest conditions and management (in 56 countries), for monitoring and assessment (in 53 countries), for reporting to regional and international organizations (in 46 countries), to review and develop national forest policies and tools for sustainable forest management (in 40 countries) and to communicate with society and carry out dialogue with stakeholders (in 37 countries).

18. The instrument has been translated into languages other than the six official languages of the United Nations in the following countries: Afghanistan (into Dari and Pashto), Albania, Austria, Bangladesh, the Comoros, Finland, Germany, Guinea-Bissau, India, Italy, Japan, Madagascar, Malaysia, Myanmar, Nepal, Serbia, Slovakia, Sri Lanka (into Sinhala), Suriname, the United Republic of Tanzania and Turkey.

B. Global objective 1: reverse the loss of forest cover worldwide through sustainable forest management, including protection, restoration, afforestation and reforestation, and increase efforts to prevent forest degradation

19. According to the Global Forest Resources Assessment for 2010, prepared by FAO, during the period between 2000 and 2010 an average of around 13 million ha of forest per year were converted to other uses, largely agriculture, or lost through natural causes. The net loss of forest area (after allowing for afforestation) was estimated at 5.2 million ha per year.

20. The forest area of the 81 countries that submitted reports for the eleventh session of the Forum is approximately 2.9 billion ha, which constitutes slightly more than 72 per cent of global forest cover. The aggregate data for those reporting countries show a slight positive trend in achieving objective 1, since there was a 0.4 per cent increase in forest cover between 2000 and 2010, according to the Global Forest Resources Assessment for 2010.

21. Over three quarters of reporting countries stated that their government's national forest policy and/or strategy or national forest programme contains time-

bound and quantified targets related to the forest area. To reverse the loss of forest cover and to enhance the area and quality of forests, many countries have undertaken afforestation, reforestation and restoration programmes. The areas covered since 2007, on the basis of figures provided by 60 countries, are illustrated in table 1.

Table 1
Afforestation, reforestation and restoration since 2007

Programme	*Hectares (millions)*
Afforestation	44
Reforestation	21
Restoration	10

22. Measures for achieving these programmes include enforcement of existing legislation (in 59 countries); new legislation and/or action aimed at the conservation and protection of forests (in 41 countries); new legislation and/or action aimed at reducing deforestation and/or supporting afforestation/reforestation (in 36 countries); subsidies for forest protection (in 33 countries); subsidies for management plans (in 22 countries); reduced and/or deferred taxes for forest land (in 15 countries); and low-interest loans for forest activities and/or management (in 14 countries). Further implementation mechanisms reported by countries include those relating to REDD-plus and other schemes that make use of carbon finance; community forestry programmes, including transferring rights for the management and use of forests to local communities, community-owned woodlots and community-based agroforestry demonstration plots; as well as awareness-raising campaigns and associated tree-planting initiatives.

23. Countries also reported on the scale and nature of work to reverse the loss of forest cover. For example, following large-scale afforestation in China, the forest area increased by 13 million ha between 2009 and 2013. The implementation by Brazil of the Action Plan for the Prevention and Control of Deforestation in the Legal Amazon has resulted in a continuous decrease of the annual deforestation rate in the Amazon, from 1.29 million ha in 2008 to 0.48 million ha in 2014. Tree-planting initiatives include an initiative to plant 50 million trees in Ontario, Canada; a programme in Lebanon to plant 40 million forest trees in public lands within the next 20 years; Malaysia's campaign to plant 26 million trees, with the theme "Greening the Earth: One Citizen, One Tree"; and tree-planting campaigns in the United Republic of Tanzania coordinated by the Office of the Vice-President, with an annual target of 136 million seedlings per year. While the United States does not face issues of deforestation, around 7.5 million ha of public and private forest lands have been restored or enhanced between 2011 and 2014. Mauritania's programmes for national aerial seeding and reforestation are contributing to the "Great Green Wall for the Sahara and the Sahel" initiative (in which other partners include Ethiopia, the Niger, Nigeria and Senegal). In Côte d'Ivoire, there is a state-funded "Five hectare school forest" project, also aimed at promoting environmental education, while in the Niger there is a "One village, one forest" programme. Farmers in Grenada receive tree seedlings at subsidized prices from a state-owned nursery, which also provides trees for schools and non-governmental organizations.

Similarly, in the State of Palestine, the private sector is provided with free seedlings and technical support.

24. Despite the substantial efforts to reverse the loss of forest cover, as reported by countries, globally the progress towards achieving objective 1 has been slow. As major drivers of deforestation lie outside the forest sector, the forest community alone cannot achieve the objective and a cross-sectoral approach is needed to address the issue at a broader level, taking into account different land uses.

C. Global objective 2: enhance forest-based economic, social and environmental benefits, including by improving the livelihoods of forest-dependent people

25. Forests contribute to solutions for many development challenges, including poverty eradication, environmental sustainability, food security, energy, clean water and watershed protection, biodiversity conservation, mitigation of and adaptation to climate change and combating desertification or land degradation.

26. However, the full contribution of forests to society and sustainable development is often underestimated owing to a lack of socioeconomic data, as many of the benefits and services provided by forests are not measured or valued in quantifiable terms.

27. The *State of the World's Forests 2014* sought to address this data gap. Some of its key findings were that:

(a) The number of people using forest outputs to meet their needs for food, energy and shelter is in the billions. Furthermore, large numbers may benefit indirectly from the environmental services provided by forests;

(b) The formal forest sector employs some 13.2 million people across the world and at least another 41 million are employed in the informal sector. Informal employment in forestry is often not captured in national statistics, but estimates suggest that it is significant in less developed regions;

(c) Some 840 million people, or 12 per cent of the world's population, collect fuelwood and charcoal for their own use;

(d) The provision of wood fuel from forests for cooking and sterilizing water is a major contributor to food security and health; an estimated 2.4 billion people (or about 40 per cent of the population of less developed countries) cook with wood fuel;

(e) The collection of edible non-wood forest products also supports food security and provides essential nutrients for many people;

(f) Forest products make a significant contribution to the shelter of at least 1.3 billion people, or 18 per cent of the world's population. The recorded number of people living in homes where forest products are the main materials used for walls, roofs or floors is about 1 billion in Asia and Oceania and 150 million in Africa; this estimate is based on partial information, the true number could be much higher.

28. In their reports for the eleventh session of the Forum, 56 countries gave examples of how local and indigenous communities are benefiting from goods and services produced by forests. Several African countries, including Angola,

Botswana, the Comoros, the Congo, Côte d'Ivoire, Gabon, Ghana, Guinea, Guinea-Bissau, Kenya, Madagascar, Morocco, the Niger, the United Republic of Tanzania and Zimbabwe, gave examples of local communities being entitled to benefit from forest and wildlife resources in community lands.

29. In Papua New Guinea, nearly 97 per cent of land is customarily owned by clans and tribal groups and in Samoa 80 per cent of land is owned by the Samoan people. The traditional use of forest resources by indigenous and local communities is recognized by forestry law in Cambodia. In Myanmar, local communities benefit from forest goods and services under the community forestry programme. Joint Forest Management in India has institutionalized the involvement of local communities in the management of forests. Nepal's community-based management regimes give local communities and indigenous people rights over the benefits generated by goods and/or services derived from forests, based on management plans and a range of benefit-sharing arrangements.

30. In the Plurinational State of Bolivia, the Constitution recognizes and protects the community land belonging to indigenous peoples and gives indigenous communities located in forest areas exclusive rights over their use and management. A support programme for environmental conservation in Brazil (*Bolsa Verde*) offers thousands of forest-dependent families living in extreme poverty financial benefits in return for maintaining vegetation cover and the sustainable use of natural resources. The Dominican Republic has passed 14,000 ha of state-owned land on to communities, subject to management in accordance with agreed forest management plans.

31. In Albania, Armenia and Iran (Islamic Republic of), local communities can use forests to meet their needs for firewood, construction materials and grazing cattle; in Cyprus, an agreement between the local community council and the Department of Forests sets out the rights and obligations of each partner and requires a management plan; local people in Jordan are allowed to collect fallen branches, fruits and mushrooms and can use 1,000 m^2 of forest land for beekeeping and to cultivate ornamental and medicinal plants or mushrooms.

32. Within Europe, Croatia, Finland, Luxembourg, Portugal, Slovakia, Switzerland and Ukraine reported on the concept of "everyman's right" as regards access to forests for purposes of recreation, often including the right to collect wood and non-wood products.

33. As reported by many countries, progress has been made towards objective 2. It is evident that recognition of the importance of the social and environmental benefits of forests is increasing and is reflected in national policies and international forest-related initiatives and dialogues on forests. However, owing to the lack of provision of qualitative information by countries, the lack of adequate indicators and the anecdotal nature of some of the data, it is difficult to measure progress towards objective 2. Further work is necessary to ensure relevant indicators are identified and qualitative data are obtained from various sources in regard to this objective.

D. Global objective 3: increase significantly the area of protected forests worldwide and other areas of sustainably managed forests, as well as the proportion of forest products from sustainably managed forests

34. The area of forests within protected areas systems (including national parks, game reserves, wilderness areas and other legally established protected areas) in 2010 was around 460 million ha worldwide (or 12.5 per cent of the global forest area). This had increased by 95 million ha between 1990 and 2010, according to the Global Forest Resources Assessment for 2010.

35. In reporting for the eleventh session of the Forum, many countries described actions that resulted in an increase of forests in protected areas. These included the Dominican Republic, where there are now 123 sites, occupying 25 per cent of the land area; Finland, where the area of protected forest rose from 3.86 million ha in 2005 to 3.93 million ha in 2014 (representing 12.9 per cent of the total land area); Gabon, which has 4 million ha in protected areas, including 11 per cent established as national parks; Grenada, which has approval to create a new protected area on a significant amount of state-owned forest; Madagascar, where there are 53 legally constituted protected areas (and 96 with temporary protection); Malaysia, where the Heart of Borneo and Central Forest Spine initiatives provide important ecological corridors to connect fragmented forests; Mexico, which has five new terrestrial protected areas, covering over 1 million ha and with 93.6 per cent forest cover; Myanmar, where there has been a reforestation programme in the watershed areas, restoration of mangrove ecosystems and expansion of protected areas; Nepal, where the area under strict protection has significantly increased over the past five years and where protected forests, managed with the participation of local communities, have been established across the country; Papua New Guinea, where the first protected area covers more than 78,000 ha of tropical rainforest; Romania, where the forest area within protected areas increased from 0.91 million ha in 2005 to 2.61 million ha in 2014; and Serbia, where the protected forests area has increased by 40 per cent in the past 20 years.

36. One indicator of the proportion of forest products from sustainably managed forests is the area of forest that has been certified. In November 2014, the total area certified under the Forest Stewardship Council was 183.1 million ha, up 10 per cent since 2012, while the area certified by the Programme for the Endorsement of Forest Certification was 264 million ha, up 11 per cent since 2012.[4] The number of certificates relating to chain of custody was 28,248 (Forest Stewardship Council), up 16 per cent since 2012, and 10,374 (Programme for the Endorsement of Forest Certification), up 9 per cent since 2012. This suggests an increase in the potential availability of forest products from sustainably managed forests. In its report for the eleventh session of the Forum, the Congo gave an example of a logging company that has been awarded certification by the Forest Stewardship Council in four forest concessions, covering more than 1 million ha and employing over 1,500 people, and Panama referred to the sustainable management of indigenous forests (including

[4] There is some double-counting between figures reported by the Forest Stewardship Council and by the Programme for the Endorsement of Forest Certification, informally estimated at 10 per cent, in information provided for the report on the independent assessment of the international arrangement.

certification of 36,000 ha by the Forest Stewardship Council) that has also created community forest enterprises, adding that this approach to sustainable forest management may be expanded to over 200,000 ha. While the report on the independent assessment of the international arrangement[1] noted that most of the certified forest area is in temperate and boreal forests, and not in the tropics, where the greatest needs arise for sustainably managing natural forests, the International Tropical Timber Organization has reported on increasing interest in the certification of tropical forests both at the level of government and within the private sector (see the Status of Tropical Forest Management 2011).

37. Several country reports for the eleventh session of the Forum highlighted public procurement policies which specify that forest products should only come from sustainably managed forests, pointing out that, in contrast to the European Union timber regulation, this requires timber and timber-related products to come from legal and sustainable sources. For example, public procurement policy in New Zealand requires that all timber and timber products purchased by government departments are certified for legality and encourages their being certified for sustainability. In Mexico, the regulatory framework related to public procurement has been modified to promote the use of forest products from certified forests; and the Timber Procurement Policy in the United Kingdom of Great Britain and Northern Ireland requires all central government departments to procure sustainable and legal timber, or timber with a Forest Law Enforcement, Governance and Trade licence.

38. The sharp increase in certification, the increased area of forests in protected areas and the growing area under management plans demonstrate the progress towards attaining objective 3. These three elements constitute useful proxies to assess sustainable forest management. However, it should be noted that there is still a lack of agreement on methodology to assess the area of forests under sustainable forest management.

E. Global objective 4: reverse the decline in official development assistance for sustainable forest management and mobilize significantly increased, new and additional financial resources from all sources for the implementation of sustainable forest management

39. The report on the independent assessment of the international arrangement stated that official development assistance (ODA) forms the core of international public sector finance, noting that bilateral funds depend heavily on donor policies, while multilateral funding, which is smaller than bilateral funding, is more demand-driven. The report on the independent assessment drew upon the 2012 report on forest financing of the Advisory Group on Finance of the Collaborative Partnership on Forests, in which trends in ODA were discussed (see table 2).

Table 2
External financial flows to forestry: disbursements of official development assistance
(Millions of United States dollars at 2010 rates)

Source	*2002-2004*	*2005-2007*	*2008-2010*	*Change (percentage) 2002-2004-2008-2010*	*Trend*
Bilateral	324.4	397.1	704.8	117	Increasing
Multilateral	233.9	337.0	555.9	138	Increasing
Total	**558.3**	**734.1**	**1 260.7**	**126**	**Increasing**

40. The report on the independent assessment of the international arrangement provided more recent figures on bilateral ODA, namely $633.7 million (2008), $515.8 million (2009), $827.6 million (2010), $1,458.8 million (2011) and $1,243.8 million (2012). The report also highlighted that, for example, in 2010 funding for activities relating to REDD-plus accounted for 40.6 per cent of the total funds directed to forests. It concluded that some progress has been made towards meeting objective 4 in relation to ODA, but also pointed out gaps in data on forest financing and forest-related ODA.

41. In reporting for the eleventh session of the Forum, many countries gave examples of increases in ODA for sustainable forest management. Among donor countries, Canada supported 128 projects between 2007 and 2014 that had at least some forestry component. Finland's annual ODA for activities relating to sustainable forest management has increased, from approximately $20 million in 2007 to about $40 million in 2013. Japan provided $250 million in ODA for the forest sector in 2012. The budget of the International Climate and Forest Initiative of the Government of Norway, which promises results-based finance to tropical developing countries that can reduce carbon emissions, is approximately $500 million per year. The United States invests approximately $250 million to $300 million a year in forest-related foreign assistance and cooperation. The United Kingdom reported on the International Climate Fund, which provides £3.87 billion of ODA from 2011 to 2016 to reduce poverty by assisting developing countries, in adapting to climate change, to take up low-carbon growth and reduce deforestation. Several developing countries and countries with economies in transition also gave examples of the role of ODA. For example, the Congo provided details of a World Bank forest and economic diversification project; Georgia referred to agreements on cooperation with Austria and Germany; Ghana highlighted support from the European Union and the World Bank; Kenya reported an increase in ODA for forests; Morocco mobilized funding from the European Union; Papua New Guinea received support from Japan and benefited from activities under the United Nations Collaborative Programme on Reducing Emissions from Deforestation and Forest Degradation in Developing Countries, supported by FAO, on assisting the Forest Authority to implement a multi-purpose national forest inventory; and Samoa outlined ODA from Australia and Japan.

42. Over one third of countries reporting for the eleventh session of the Forum had mobilized increased public international funding since 2007 (28 out of 75) and nearly two thirds had mobilized increased financial resources for the

implementation of sustainable forest management through domestic public funding (49 out of 75). Examples include the creation of a national fund for the protection of the native forest in Argentina, increased financial allocations in Bangladesh; the scaling-up of investment in forestry development in China; a reforestation plan in the Dominican Republic; more public funds for forest management, reforestation, forest guards and firefighting in Lebanon; funding for reforestation of degraded areas in Liberia; a 41.7 per cent increase between 2007 and 2014 in the federal budget for the National Forestry Commission of Mexico; a significant improvement in the annual budget for the forestry sector in Morocco; increased domestic public funding for the forestry sector in Nepal, rising from $23.2 million in 2007 to $76.6 million in 2014; a priority investment plan, which includes sustainable forest management in the Niger; an increased budget for forests in Panama; more funds for afforestation, using treated wastewater, forest rehabilitation, reforestation, forest guarding and forest recreation and tourism in Saudi Arabia.

43. Only nine countries reported increased domestic private funding and only five reported increased external private funding. In order to encourage private sector investment, since 2007, most countries used a mix of approaches, including policy and legal reforms (41 out of 75); outreach to the private sector (36 out of 75); improved infrastructure and other public services related to sustainable forest management (35 out of 75); financial incentives, such as credit guarantees, tax breaks and employment subsidies (31 out of 75); and establishing markets for ecosystem services provided by forests (15 out of 75). In addition, reference was made to the importance of investment in the development of new wood-processing technologies (Canada); forest tenure reform (China); creating a forest investment and insurance account so that owners can insure against storm risk (France); and the use of levies to provide funding for research, development and promotion (New Zealand).

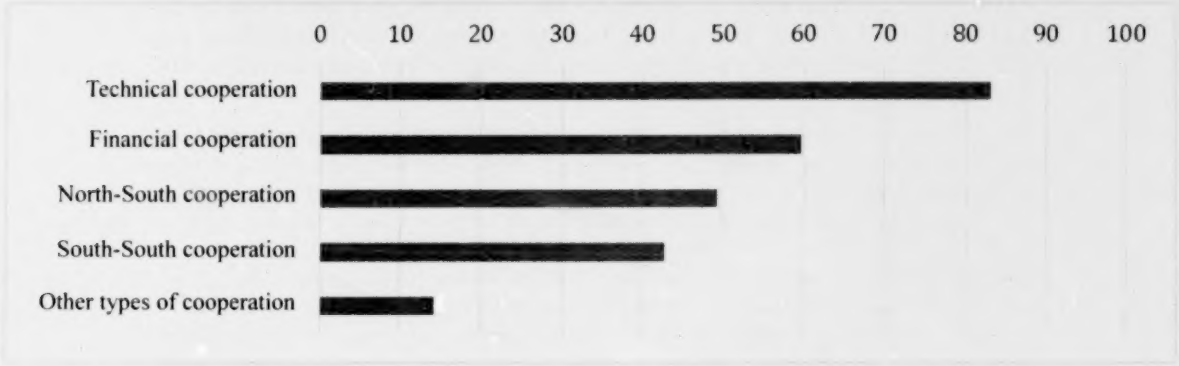
44. A total of 36 countries established payments for ecosystem services and several others are considering the matter. These included payments for nature conservation (23 countries), watershed protection and/or supply (18 countries) and carbon storage (14 countries). A number of other environmental services were also identified by countries. For example, in Côte d'Ivoire, the Government signed a partnership agreement in 2008 with a private company for the management of four forests (totalling 41,000 ha) for a $12 million investment in ecotourism; and in Japan, many regional prefectures impose a forest environment tax, which provides funds to improve forests for such functions as landslide prevention, soil and water conservation and carbon storage. Costa Rica reported on its national programme of payments for ecosystem services, whose primary source of funding is a tax on fuels. In Viet Nam, payment for forest environmental services has been applied nationwide since 2011, contributing to sustainable forest management, livelihood improvement for over 230,000 households and environment protection; this has mobilized about $160 million, most of which is used to fund forest protection and development.

45. Over three quarters of responding countries said that since 2007 they have developed or updated financing strategies to achieve sustainable forest management and to implement the instrument; most of those strategies have time frames spanning between 2 and 5 years or between 5 and 10 years. Nevertheless, funding for sustainable forest management remains a major challenge and many reports highlighted the impact of the global economic and financial crisis and the lack of political commitment to forests and sustainable forest management when decisions are taken about public funding.

F. Providing a framework for international cooperation

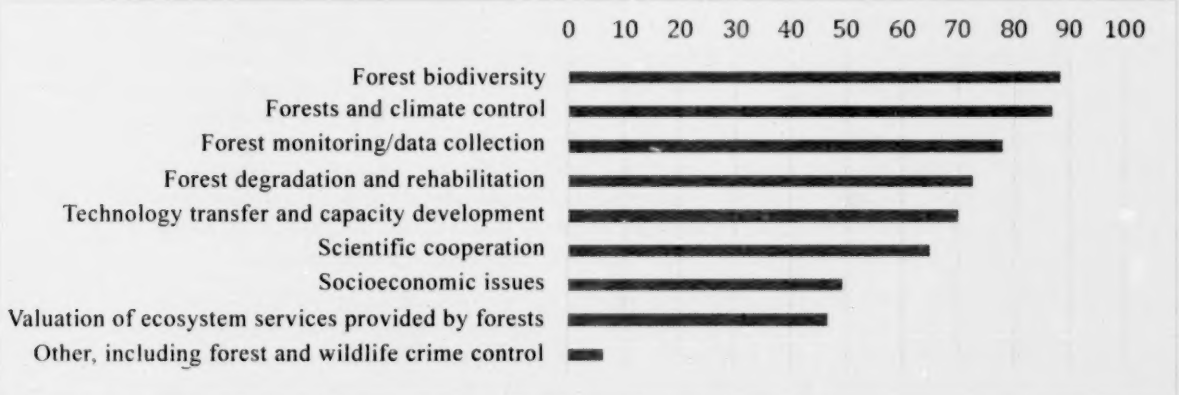
46. Part of the purpose of the instrument is to provide a framework for international cooperation. Nearly all countries responding about this in their reports for the eleventh session of the Forum said that their government is engaged in international cooperation to promote sustainable forest management (see figure I).

Figure I
Countries engaged in international cooperation to promote sustainable forest management
(Percentage)



47. The areas of cooperation reported mostly included forest biodiversity (88 per cent of countries that reported for the eleventh session of the Forum), forests and climate change (87 per cent of countries) and cooperation with regard to monitoring and data collection (77 per cent of countries) (see figure II).

Figure II
Specific areas of cooperation
(Percentage)



48. In addition to reporting on ODA, many countries highlighted multilateral programmes, including those relating to REDD-plus, the Forest Law Enforcement, Governance and Trade programme of the European Union, the Congo Basin Forest

Partnership, the Central African Forests Commission, the Amazon Cooperation Treaty Organization, the Asia-Pacific Network for Sustainable Forest Management and Rehabilitation, cooperation through processes such as Forest Europe and the Montreal Process, as well as funding from the Global Environment Facility to help meet obligations under the Convention on Biological Diversity, the United Nations Convention to Combat Desertification in Those Countries Experiencing Serious Drought and/or Desertification, Particularly in Africa and the United Nations Framework Convention on Climate Change (the Rio Conventions).

IV. Contribution of forests and sustainable forest management to the achievement of the Millennium Development Goals

49. The purpose of the non-legally binding instrument on all types of forests includes enhancing the contribution of forests to the achievement of the internationally agreed development goals, including the Millennium Development Goals.

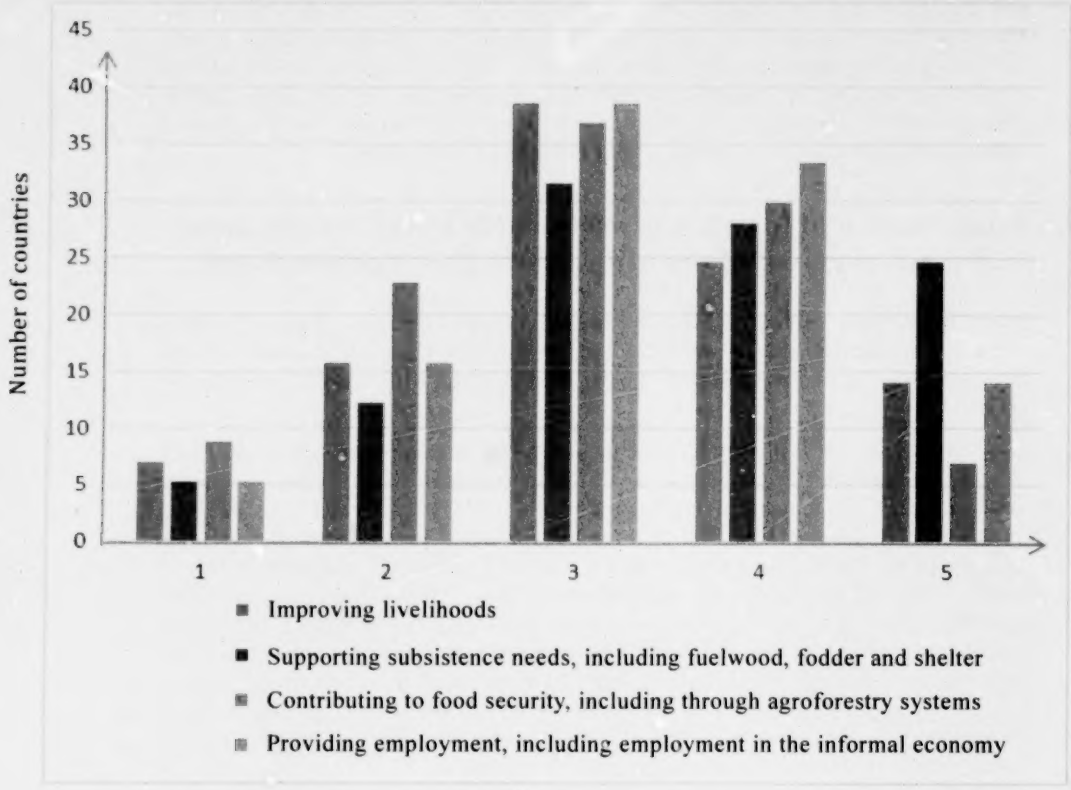
50. Forests are not explicitly referred to in any goal or target within the framework of the Millennium Development Goals. One indicator under Goal 7 (ensure environmental sustainability) recognizes the role of forests in ensuring environmental sustainability. National reports submitted for the tenth and eleventh sessions of the Forum demonstrated that forests and sustainable forest management have contributed to progress towards achieving Goal 7 and other Goals, including especially Goal 1 (eradicate extreme poverty and hunger) and Goal 8 (develop a global partnership for development). The responses also highlighted the linkages between the Goals and the instrument, with its global objectives on forests, across a wide range of issues related to livelihoods, poverty alleviation, employment, food, energy and water security, climate change mitigation and/or adaptation, the conservation of biodiversity and sustainable development.

A. Goal 1. Eradicate extreme poverty and hunger

51. Among responding countries, 80 per cent recognized the contribution of forests and sustainable forest management to the eradication of poverty and hunger. Many provided examples of benefits from forests to the rural communities living on the fringes of forests, noting that the forest sector is often the only source of employment (formal and informal) in these generally remote areas. Non-timber forest products are also important in promoting the local economy and providing local employment. These benefits were particularly highlighted by developing countries, including Brazil, China, the Congo, Ghana, Guinea-Bissau, India, Liberia, Malaysia, Nepal, Papua New Guinea, South Africa, Yemen and Zimbabwe. Meanwhile, several developed countries, such as Croatia, Cyprus, Japan, Lithuania, Portugal and Serbia, referred to the rural employment opportunities created by forests.

52. Countries were asked to indicate, on a scale from 1 to 5 (with 1 being the lowest value and 5 the highest), the value of the contribution of forests and sustainable forest management to progress towards achieving the Millennium Development Goals. In the case of Goal 1, most countries selected values between 3 and 4, as seen in figure III.

Figure III
Contribution of forests and sustainable forest management to progress in achieving Goal 1



53. Countries highlighted the cross-sectoral connections between the sustainability of natural resources and the eradication of poverty and hunger. Reference was made to the support given to agroforestry systems and the enhancement of food security among rural communities in Ghana, Guinea-Bissau, Nepal and Samoa. Roads and social infrastructure systems (e.g., clinics, health-care facilities and schools) supported by forest companies were also mentioned. In addition, some countries (e.g., Croatia, Malaysia and Saudi Arabia) mentioned the role of forests in the ecotourism industry.

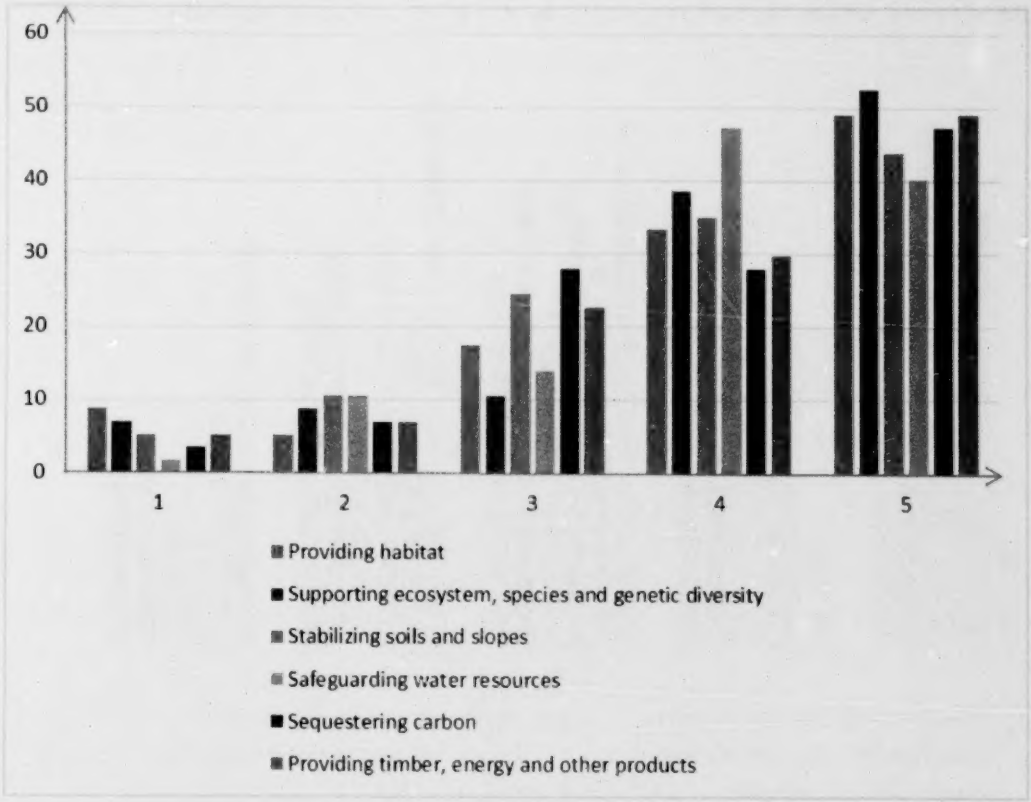
54. There is a direct connection between objective 2 and Goal 1. Forests frequently feature in government initiatives to promote rural empowerment and poverty eradication. Some countries have revised their national poverty eradication plans and strategies in order to incorporate elements of sustainable forest management that provide socioeconomic benefits to rural communities. As reported by countries and indicated earlier in the present report, issues of tenure and rights and access to forest products are critical for improving the livelihoods of forest-dependent people. Furthermore, the difficulty of measuring the contribution of forests to poverty eradication and the lack of understanding of that potential contribution leads to insufficient allocation of funding and development assistance for sustainable forest management.

B. Goal 7. Ensure environmental sustainability

55. Forests are crucial for global environmental sustainability, through, for example, their role in climate change mitigation and in the conservation of biodiversity, soil and water resources. This was reflected in the national reports, with 90 per cent of countries reporting on the contribution of forests to progress in achieving Goal 7. In addition to highlighting the ecosystem services of forests, countries reported on their efforts to combat deforestation and increase the areas of both protective and protected forests.

56. On a scale from 1 to 5, most countries selected the highest values, confirming the importance of forests to environmental sustainability (see figure IV).

Figure IV
Contribution of forests and sustainable forest management to progress in achieving Goal 7

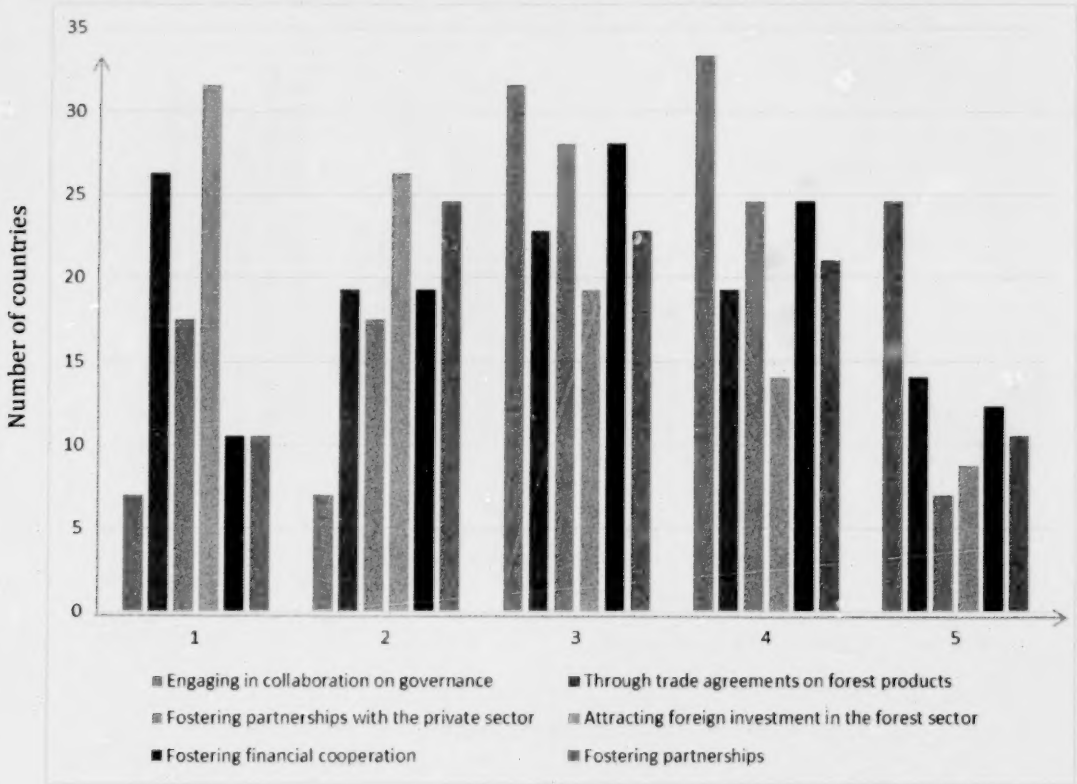


57. There are many links between Goal 7, the instrument and the global objectives on forests. Actions reported by countries, especially these related to achieving objectives 1 and 3, confirmed these links. In addition, the reports demonstrated the role of sustainable forest management in maintaining and enhancing the protective functions of forests.

C. Goal 8. Develop a global partnership for development

58. Around 80 per cent of countries reported on the contribution of forests and sustainable forest management to Goal 8. In addition to mentioning their active participation in relevant international forums, such as the Rio Conventions, activities relating to REDD-plus and the Convention on Wetlands of International Importance especially as Waterfowl Habitat (Ramsar Convention), many reported cooperation on issues related to tackling trade in illegally harvested forest products. When they were asked to indicate, on a scale from 1 to 5, to what extent forests and/or sustainable forest management had contributed to developing a global partnership for development, they highlighted the importance of collaboration on improved governance, as regards forests; by contrast, attracting foreign investment in the forest sector was ranked very low (see figure V).

Figure V
Contribution of forests and sustainable forest management to progress in achieving Goal 8

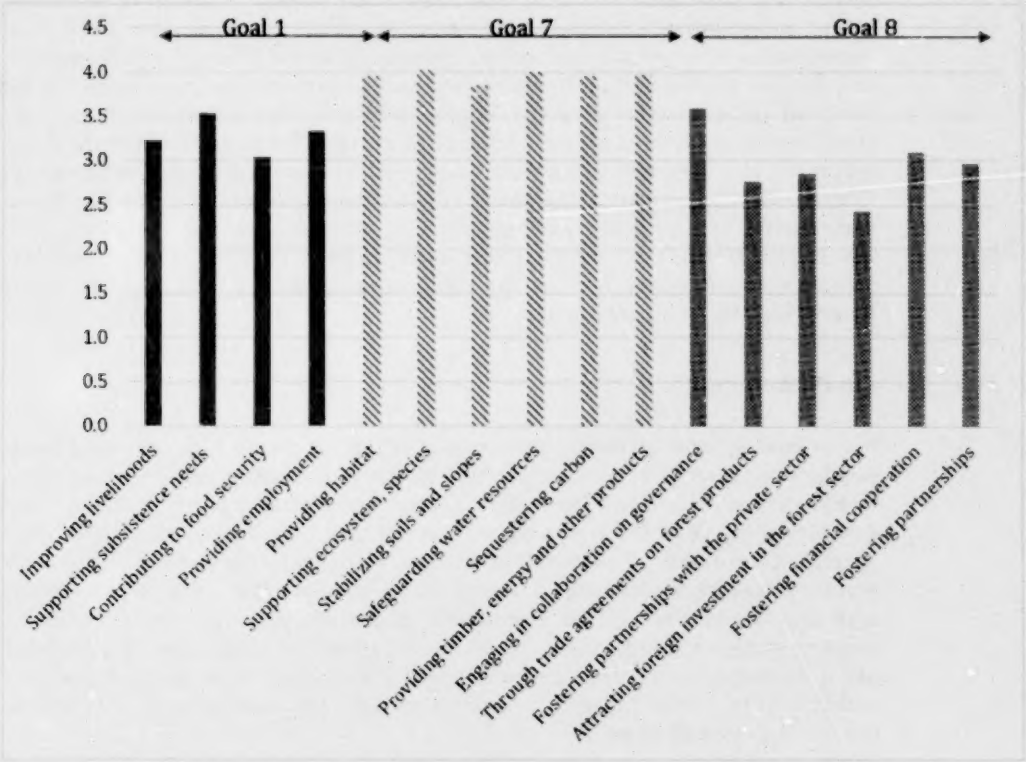


59. Overall, the responses confirmed that collaboration on forests contributes to a global partnership for development. As noted in relation to official development assistance, and in paragraphs 46 and 47 of the present report, there is a strong link between securing effective international cooperation and implementing the instrument. The principles of the instrument recognize the crucial role of international

cooperation, including financial support to achieve sustainable forest management, as well as other means, such as scientific and technological cooperation.

Figure VI

Average, overall rating, on a scale from 1 to 5, of the contribution of forests and sustainable forest management to Goals 1, 7 and 8



60. In addition, countries reported on the contribution of forests and sustainable forest management to progress in the achievement of the remaining Goals.

D. Goal 2. Achieve universal primary education

61. Examples of support for universal primary education include the contribution of forest companies towards universal primary education in forest areas, through, for example, building and/or furnishing schools, facilitating access to schools and providing housing for teachers. In South Africa, private sector organizations have also provided community libraries, while Liberia, Papua New Guinea and Zimbabwe referred to examples of contractual agreements with investors for the provision of social services, including education. In addition, participatory forest management programmes in Nepal have contributed to the achievement of Goal 2 by assisting the rural population in conducting non-formal education. Ghana and Kenya both noted that improved incomes from forests for parents living in forest areas helped create opportunities for more school-age children to be enrolled in school.

E. Goal 3. Promote gender equality and empower women

62. Countries provided examples of how the forest sector empowers women through training opportunities and equal employment, as well as enhanced gender equality in management and decision-making processes. Community forestry guidelines in Nepal require 50 per cent participation by women in decision-making bodies, and such guidelines have also empowered women in Malaysia, especially among indigenous people and local communities. In Liberia, women are given equal opportunities to be represented on the community forest development committees and to serve as mediators between the contract holders and the communities at the fringe of the concession areas. In Kenya, there is a requirement for 30 per cent representation of women on the boards of forest institutions, in employment in the sector and in community forest associations and forest conservation committees. In Ghana, the Community Investment Fund has supported women in forest communities by promoting income-generating ventures. The Dominican Republic has created a fund for women forest users, helping them to produce food for subsistence and herbs and in the small-scale gathering and sale of forest by-products, including fuelwood.

F. Goals 4, 5 and 6

63. Countries emphasized the contribution of forests, specifically non-wood forest products as sources of protein and contributors to healthy and balanced diets. Ghana, Kenya, the Niger, Papua New Guinea and Samoa reported that for many forest-dwelling and forest-dependent communities, the forest constituted their source of medicine. Traditional herbs and medicinal plants from forests are regularly used for maternal health and to reduce child mortality. The forest industry, with the collaboration of the Department of Health, provides mobile clinics to forestry workers in South Africa, where about 28 million people also use traditional plants as medicine. In Ghana, awareness-raising and sensitization programmes were undertaken in forest fringe communities to increase awareness of HIV/AIDS, malaria and other diseases.

V. Conclusions

A. Non-legally binding instrument on all types of forests

64. The national reports demonstrated an increase in activities undertaken by countries since 2007 towards sustainable forest management, signifying that the non-legally binding instrument on all types of forests covers a broad range of aspects of sustainable forest management. Although the relationship between the instrument and national actions is not always clear and stated, the actions reported by countries contribute to sustainable forest management and are fully aligned with the provisions of the instrument.

65. In order for the instrument to continue to provide a comprehensive framework of actions on sustainable forest management, Member States may wish to update the instrument to reflect the most important developments since its adoption in 2007. These may include the updating of references to the Millennium Development

Goals, subsequent to the conclusion of the discussions on sustainable development goals, extending the time frame for the achievement of the global objectives on forests from 2015 to 2030 and integrating the objectives and the proposed sustainable development goals.

66. Many international forest-related initiatives and programmes have been developed since 2007 and are reflected in the country reports submitted to the Forum. The initiatives focus on different and specific aspects of forests, such as biodiversity, carbon sequestration or trade in forest products. The instrument is still the only global agreement promoting sustainable forest management and it provides a coherent and overarching framework for forest-related initiatives, as reported by some countries. Its potential, however, has not been fully realized.

67. Articles 6 and 7 of the instrument are at the core of its purpose and cover the entire spectrum of sustainable forest management. Countries reported progress and provided examples of new and/or amended policies and strategies for sustainable forest management, mechanisms for cross-sectoral cooperation and public participation and strengthened efforts to combat illegal logging and/or establish new protected forest areas.

68. Newly adopted or amended policies are not always fully effective and their implementation at the ground level is often lagging behind. One aspect which has experienced relatively little progress since 2007 is the recognition of value derived from the goods and services provided by forests and their reflection in the marketplace. Some countries reported the establishment of systems and/or mechanisms for payment for ecosystem services provided by forests; however, these seem to be, for the most part, either pilot projects or local arrangements.

69. It should be noted that over the past eight years some limited financial support was available for developing countries to implement the instrument. The pilot projects conducted by FAO with support from the Governments of Germany and Japan were successful and proved that the instrument works well as an overarching forest policy framework against which countries measured the extent to which their own policies and programmes covered the key elements and requirements for achieving sustainable forest management.

B. Global objectives on forests

70. Countries reported on a wide range of actions taken since 2007 to help achieve objective 1. Nevertheless, the figures from the Global Forest Resources Assessment for 2010 demonstrated the high rate of conversion of natural forest land to other land uses, which is partially offset by afforestation efforts and an increase of forest plantations. Deforestation, although occurring at a slower rate, continues and progress towards objective 1 is slow. While the forest community can take action to maintain healthy forests and report on the state of existing forests, forest policymakers often have little influence over broader land use planning at the country level and on the conversion of forest land to other land uses. In the country submissions on the review of the international arrangement on forests, among those countries that expressed a view, 42 per cent (15 of 36 countries) considered progress towards objective 1 to be adequate, while 58 per cent (21 of 36) considered progress on that objective to be inadequate; a further nine countries were unsure or gave no explicit response to the question.

71. While the information from the Global Forest Resources Assessment for 2010, the *State of the World's Forests 2014* and reports to the Forum show that there is recognition of the role of forests in enhancing forest-based economic, social and environmental benefits, including by improving the livelihoods of forest-dependent people, there is mixed evidence about the extent to which progress has been made towards objective 2 since 2007. As stressed in the *State of the World's Forests 2014*, there is only imprecise quantitative information about the level of benefits, so assessing trends is problematic. Nevertheless, many countries have given examples to demonstrate action aimed at enhancing such benefits, including the shift towards a more participatory approach in forest management and giving more responsibility to communities for the management of forest resources. In the country submissions to the review of the international arrangement, among those countries that expressed a view, 38 per cent (13 of 34 countries) considered progress towards objective 2 to be adequate, while 62 per cent (21 of 34) considered progress on that objective to be inadequate; a further 11 countries were unsure or gave no explicit response to the question. This is consistent with the fact that, while the country reports for the eleventh session of the Forum include many examples of action, it is difficult to quantify such changes.

72. Although updated information from the Global Forest Resources Assessment for 2015 is awaited, trends in progress towards objective 3 appear to be positive. This is reflected in the country submissions on the review of the international arrangement: among those countries that expressed a view, 59 per cent (17 of 29 countries) considered progress on objective 3 to be adequate, while 41 per cent (12 of 29) considered progress on that objective to be inadequate; a further 16 countries were unsure or gave no explicit response to the question. The report on the independent assessment of the international arrangement also concluded that there had been progress towards the achievement of objective 3, although the goal is far from being achieved. Notwithstanding the progress that is being made towards the objective, important challenges remain, including the availability of data about sustainably managed forests. The increasing coverage of certification schemes is a useful proxy indicator, but does not directly measure the proportion of forest products that comes from sustainably managed forests or assess sustainable forest management as such. Further work is required both to assess the current position and to identify mechanisms for increasing the proportion of forest products from sustainably managed forests.

73. There is a clear consensus, among the countries that provided views and proposals on the review of the international arrangement, that progress towards objective 4 is inadequate. Of those countries that expressed a view in their submissions on the review of the international arrangement, 24 per cent (8 of 33 countries) considered progress on objective 4 to be adequate, while 76 per cent (25 of 33) considered progress on that objective to be inadequate; a further 12 countries were unsure or gave no explicit response to the question. In suggesting how to improve on that progress, many of the countries emphasized the importance of adequate and sustainable funding; proposals included the creation of a global forest fund exclusively for the forestry sector; establishing a results-based fund for sustainable forest management; and generating additional sources of funding through payments for ecosystem services. While the trends in ODA are positive, this has been heavily influenced by initiatives relating to REDD-plus and there are significant thematic and geographic gaps as regards funding for sustainable forest

management. As concluded in the report on the independent assessment of the international arrangement, there is a large gap between forest financing needs and current financing flows for sustainable forest management at all levels. An important element would be the creation of a strategic trust fund for strengthening capacity to support the implementation of the instrument.

C. Millennium Development Goals

74. Information reported by countries provided further evidence that forests and sustainable forest management have made a significant contribution to progress in the achievement of the Millennium Development Goals and countries highly value this contribution. Moreover, the reported actions demonstrated direct connections between the provisions of the instrument, the global objectives on forests and the Goals. While the links are clear to those in the forest community, the message has not been successfully communicated to high-level policymakers in other sectors.

75. Issues relating to forests are being taken seriously in the ongoing discussions on the post-2015 development agenda. It is likely that, in September 2015, a set of sustainable development goals will be adopted as a successor framework to the Millennium Development Goals. The current proposal for the sustainable development goals, as outlined in the report of the Open Working Group on Sustainable Development Goals (see A/68/970 and Corr.1), explicitly mentions forests under goals 6 and 15. Although the references to the environmental functions of forests are important and valuable, it is unfortunate that the proposed goals do not reflect the full range of socioeconomic benefits and services that forests provide.

76. Lessons should be learned from the monitoring and assessment of progress towards achieving the Millennium Development Goals. Thus, it is important to develop a set of indicators that will demonstrate the full contribution of forests across the entire framework of sustainable development goals, including to livelihoods, poverty, food security and employment, as well as environmental benefits.

D. Key challenges in implementing sustainable forest management

77. While the challenges reported in implementing sustainable forest management varied, many responses reiterated the lack of adequate and sustainable financing and the consequences thereof for institutional capacity, as well as implementation on the ground. The lack of financing was linked to concern that sustainable forest management has inadequate priority when compared with other government priorities and that this reflects undervaluation of the economic, social and environmental benefits from forest resources. Some countries highlighted the growing pressure on forests resulting, for example, from population increase and a high dependence on forest resources as a means of livelihood, leading to encroachment, overgrazing and overexploitation of forest resources. They also stressed the challenge of dealing with unclear land tenure regimes, with some saying that deforestation rates are lower where communities have formal rights over their forests. Other pressures include demand for the conversion of forest land to other uses, such as plantations, agriculture, mining and urban development, as well as the pressures resulting from drought, desertification and climate change. In the face of

such pressures, many countries (especially from Africa, Asia-Pacific and Latin America and Caribbean regions) described the consequences of inadequate funding for forest governance institutions, which would result in a lack of trained, professional staff able to effectively monitor compliance with forest laws and regulations, to engage sufficiently with stakeholders, to undertake inventory work and to address management problems such as fire, pests and diseases.

E. Monitoring, reporting and assessment

78. As stated above, there has been some progress towards the implementation of the non-legally binding instrument on all types of forests and on achieving the global objectives on forests. However, without clear benchmarks, assessment methodology and quantitative targets, it is difficult to gauge the exact extent of that progress.

79. There are still substantial information gaps in assessing forest degradation (objective 1), in measuring the socioeconomic benefits of forests (objective 2), in quantifying the volume and value of products from sustainably managed forests (objective 3) and in securing comprehensive information on financing for sustainable forest management (objective 4).

80. As a final consideration, it should be noted once more that the present report draws largely upon the information supplied by 81 countries in their voluntary national reports. There are, therefore, gaps in data regarding the countries that did not submit reports.

Annex

Member States that provided national reports on progress towards achieving the global objectives on forests and the implementation of the non-legally binding instrument on all types of forests for the eighth, ninth, tenth and eleventh sessions of the Forum

	Eighth session	*Ninth session*	*Tenth session*	*Eleventh session*
Afghanistan	–	–	X	X
Albania	–	–	X	X
Angola	–	–	–	X
Argentina	X	–	X	X
Armenia	–	–	X	X
Australia	–	–	X	–
Austria	–	–	X	X
Azerbaijan	–	–	–	X
Bangladesh	–	X	X	X
Belarus	–	–	–	X
Bolivia (Plurinational State of)	–	–	–	X
Bosnia and Herzegovina	–	–	–	X
Botswana	–	–	–	X
Brazil	X	X	X	X
Bulgaria	X	–	–	–
Burkina Faso	–	–	–	X
Cambodia	–	–	–	X
Cameroon	–	X	–	–
Canada	–	X	X	X
China	–	X	X	X
Comoros	–	–	–	X
Congo	–	X	–	X
Costa Rica	–	–	X	X
Côte d'Ivoire	–	–	X	X
Croatia	–	–	–	X
Cyprus	X	X	X	X
Dominican Republic	–	–	X	X
El Salvador	X	X	–	–
Estonia	–	–	–	X
Ethiopia	–	–	–	X
Finland	X	X	X	X
France	–	–	X	X
Gabon	X	X	X	X

	Eighth session	*Ninth session*	*Tenth session*	*Eleventh session*
Georgia	–	–	–	X
Germany	–	–	X	–
Ghana	–	X	X	X
Grenada	–	–	X	X
Guatemala	–	–	–	X
Guinea	–	–	–	X
Guinea-Bissau	X	–	–	X
Guyana	–	–	X	–
India	X	–	X	X
Iran (Islamic Republic of)	–	X	–	X
Israel	–	–	X	–
Italy	–	–	X	–
Jamaica	–	X	X	X
Japan	X	X	X	X
Jordan	–	–	–	X
Kenya	–	–	–	X
Kyrgyzstan	–	–	–	X
Lebanon	–	–	–	X
Liberia	–	–	X	X
Lithuania	–	–	X	X
Luxembourg	X	–	–	X
Madagascar	–	–	X	X
Malaysia	–	–	X	X
Mauritania	–	–	–	X
Mauritius	–	–	–	X
Mexico	X	X	X	X
Morocco	–	–	X	X
Mozambique	–	X	X	–
Myanmar	–	–	X	X
Nepal	–	–	X	X
New Zealand	X	X	–	X
Nicaragua	–	–	X	–
Niger	–	–	X	X
Nigeria	–	–	X	X
Norway	X	–	X	X
Pakistan	–	–	–	X
Panama	–	–	X	X
Papua New Guinea	–	X	X	X
Paraguay	–	–	–	X
Peru	X	–	–	–

	Eighth session	*Ninth session*	*Tenth session*	*Eleventh session*
Philippines	X	X	X	–
Portugal	–	–	X	X
Romania	–	–	–	X
Russian Federation	–	–	–	X
Saint Lucia	–	–	X	–
Saint Vincent and the Grenadines	–	–	–	X
Samoa	–	–	–	X
Saudi Arabia	–	–	X	X
Senegal	–	–	–	X
Serbia	–	–	–	X
Slovakia	X	X	X	X
South Africa	–	–	X	X
Sri Lanka	–	–	X	–
Sudan	X	–	–	–
Suriname	–	–	X	–
Switzerland	X	X	X	X
Togo	–	–	X	–
Turkey	–	–	X	–
Ukraine	–	–	X	X
United Kingdom of Great Britain and Northern Ireland	–	–	–	X
United Republic of Tanzania	–	–	–	X
United States of America	X	X	X	X
Venezuela (Bolivarian Republic of)	–	–	X	–
Viet Nam	–	–	X	X
Yemen	X	–	–	X
Zimbabwe	–	–	–	X
State of Palestine	–	–	X	X
Total (100 countries)	**21**	**22**	**57**	**81**

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New York, 4-15 May 2015
Item 4 of the provisional agenda*
Means of implementation for sustainable forest management and forest law enforcement and governance at all levels

Means of implementation for sustainable forest management and forest law enforcement and governance at all levels

Report of the Secretary-General

Summary

The means of implementation and forest law enforcement and governance are particularly dynamic areas of sustainable forest management. The growing number of initiatives and stakeholders involved in both issues at all levels has created complex landscapes with limited international coordination or coherence.

The present report provides an overview of activities and initiatives related to both issues. First, in terms of forest financing, the report reviews the main developments since the tenth session of the United Nations Forum on Forests, including the activities of the facilitative process of the Forum. It also provides an overview of proposals on financing forests and the institutions of the international arrangement on forests of the future. Secondly, the report summarizes key initiatives with regard to forest law enforcement and governance over the past 15 years.

The report has been prepared to facilitate the deliberations of the Forum on item 4 of the provisional agenda of the eleventh session of the Forum on the means of implementation for sustainable forest management and forest law enforcement and governance at all levels.

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I. Introduction

1. According to the multi-year programme of work of the United Nations Forum on Forests for the period 2007-2015, adopted at its seventh session, in 2007 (see E/2007/42-E/CN.18/2007/8 and Corr.1, resolution 7/1), the means of implementation for sustainable forest management and forest law enforcement and governance at all levels are recurring, cross-cutting issues for each session. At its tenth session, the Forum approved the provisional agenda for its eleventh session, in which, it included a specific agenda item on the means of implementation for sustainable forest management and forest law enforcement and governance at all levels (see E/2013/42-E/CN.18/2013/18, chap. I, sect. A).

2. The present report has been prepared to facilitate the deliberations of the Forum, at its eleventh session, on item 4 of the provisional agenda, and to inform the Forum of intersessional activities on forest financing, including the work of the facilitative process and the outcomes of the review of the international arrangement on forests relating to the means of implementation.

3. The first section of the report provides an overview of proposals on financing forests and proposals for a financing architecture for the future of the international arrangement on forests.

4. The second section summarizes the key initiatives carried out to promote forest law enforcement and governance over the past 15 years, along with relevant decisions of the Forum.

5. The recommendations and key action points on those issues are included in the report of the Secretary-General on reviewing the effectiveness of the international arrangement on forests and consideration of all future options, including the conclusions and recommendations therein (E/CN.18/2015/2), for the consideration of the Forum in its decision on the future of the international arrangement on forests.

II. Background

6. On 30 October 2009, at the special session of its ninth session, the Forum adopted a resolution on the means of implementation for sustainable forest management, in which it decided to establish a facilitative process (see E/2009/118-E/CN.18/SS/2009/2, chap. I, sect. B). The facilitative process was established in 2009 with eight functions and an additional two were added by the Forum at its ninth session (see E/2011/42-E/CN.18/2011/20, chap. I, sect. B).

7. The Open-ended Intergovernmental Ad Hoc Expert Group on Forest Financing, established through the resolution adopted at the special session of the ninth session of the Forum, made proposals to the Forum at its tenth session on strategies to mobilize resources from all sources to support the implementation of sustainable forest management, the achievement of the global objectives on forests and the implementation of the non-legally binding instrument on all types of forests (see General Assembly resolution 62/98, annex).

8. At its tenth session, held in Istanbul, Turkey from 8 to 19 April 2013, the Forum agreed on a resolution that contained several actions at all levels to mobilize financing for forests (see E/2013/42-E/CN.18/2013/18, chap. I, sect. B, resolution 10/2). Among the actions listed, the Forum decided at the national level, to

incorporate, inter alia, national forest financing strategies into national forest programmes; at the regional level, to continue facilitating regional and other processes in support of the implementation of the instrument; and at the international level, to invite the Global Environment Facility (GEF) to improve and simplify access to its current and potential funding for sustainable forest management, and to consider establishing a dedicated focal area to fund forests.

9. The Forum also decided to consider, as an integral element of the overall review of the international arrangement on forests, a full range of financing options and strategies, including the establishment of a voluntary global forest fund, in order to mobilize resources from all sources in support of sustainable forest management for all types of forests and trees outside forests.

10. Since the tenth session of the Forum, there have been a number of important developments in the context of global forest financing, as described in section III of the present report.

III. Report on the work of the United Nations Forum on Forests on the means of implementation

A. Key developments related to the means of implementation since the tenth session of the Forum

11. Since the tenth session of the Forum, held in April 2013, the global forest financing landscape has continued to evolve at a rapid pace. At the Global Environment Facility, in the incentive mechanism for sustainable forest management and for reducing emissions from deforestation and forest degradation in developing countries and the role of conservation, sustainable management of forests and enhancement of forest carbon stocks in developing countries (REDD-plus) created for the fifth replenishment period of the Facility, in 2010, over $700 million was allocated to support forest-related activities. Support for forests continued in the sixth replenishment of the Facility, in 2014, with the sustainable forest management strategy. While still operating as an incentive mechanism, with a $250 million endowment, the sustainable forest management strategy for the sixth replenishment period of the Facility (2014-2018) includes all seven thematic elements of sustainable forest management as adopted by the Forum.

12. The sixth replenishment of the Facility includes four broad objectives: maintaining forest resources; managing forest resources; restoring forest resources; and enhancing regional and global cooperation. In particular, it aims to make access to GEF financing easier for countries with small allocations, such as small island developing States and the least developed countries, while contributing to closing existing financing gaps, notably for low-forest-cover countries.

13. The development of a specific incentive mechanism for sustainable forest management as part of the sixth replenishment of GEF is an important and positive step towards establishing a dedicated focal area for sustainable forest management within the Facility, as called for in resolution 10/2 of the Forum.

14. As part of the negotiations on the United Nations Framework Convention on Climate Change, discussions on a future REDD-plus mechanism also made progress. At the nineteenth session of the Conference of the Parties to the United

Nations Framework Convention on Climate Change, held in Warsaw in November 2013, an important agreement was reached that further defines REDD-plus, known as the Warsaw Framework for REDD-plus. Parties notably agreed to remunerating developing countries based on results proven by monitoring, reporting and verification, and in this regard, the agreed text encourages the creation of national monitoring mechanisms. Moreover, the agreement also included a number of important environmental and human rights safeguards (see FCCC/CP/2013/10 and Add.1). During the Conference, Norway, the United Kingdom of Great Britain and Northern Ireland and the United States of America collectively pledged $280 million to REDD-plus.

15. At the same time, the variety of climate finance mechanisms has increased to include nationally appropriate mitigation actions, the Adaptation Fund and the Green Climate Fund, among others. Current figures suggest that financial support for REDD-plus may have peaked already,[1] but pledges and commitments to other mechanisms are increasing. At the twentieth session of the Conference of the Parties to the United Nations Framework Convention on Climate Change, held in Lima in December 2014, Australia, Austria, Belgium, Colombia, Norway and Peru made additional pledges to the Green Climate Fund, which has now been endowed with over $10 billion in disbursements, commitments and pledges. Likewise, Germany made a pledge of $68 million to the Adaptation Fund.

16. Following the nineteenth session of the Conference of the Parties, in November 2013, the Standing Committee on Finance of the United Nations Framework Convention on Climate Change decided to consider at its third forum, in 2015, the issue of financing for forests, and in this respect called for substantive inputs and partnership proposals on the topic.

17. According to the Overseas Development Institute and the Heinrich Böll Foundation, from January 2008 to September 2014, financial resources for the United Nations Collaborative Programme on Reducing Emissions from Deforestation and Forest Degradation in Developing Countries (UN-REDD) totalled $215 million, of which $186 million (87 per cent) has been disbursed. The Forest Carbon Partnership Facility has raised $258 million, of which $31 million (12 per cent) has been disbursed. At the end of 2014, the two programmes had a total of $256 million in non-allocated/undisbursed funds accumulated over a period of six years.[2] The lack of use of those resources highlights the significance of enhancing the capacity of countries to access such funds.

18. The thematic programme on reducing deforestation and forest degradation and enhancing environmental services in tropical forests (REDDES programme) of the International Tropical Timber Organization takes a different approach by focusing on the expansion of sustainably managed areas, including the restoration of degraded secondary forests and the rehabilitation of degraded forest lands. To this day, the programme has received $9.5 million from donors to implement 29 projects and practically all the funds have been allocated. In the present situation, no calls for proposals can be launched, owing to the lack of funds.[3]

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[1] Figures extracted from the Voluntary REDD+ Database. Available from www.fao.org/forestry/vrd/#graphs_and_stats.

[2] Further information available from www.climatefundsupdate.org/data.

[3] Further information available from http://www.itto.int/thematic_programme_general.

19. Within discussions on the post-2015 development agenda of the United Nations, the Intergovernmental Committee of Experts on Sustainable Development Financing issued recommendations relevant to the means of implementation for sustainable forest management. The secretariat of the Forum provided input to the Committee by sharing the findings of the 2012 study on forest financing of the Advisory Group on Finance of the Collaborative Partnership on Forests.[4] The Committee identified the need to consider all sources of financing for sustainable development, including domestic and international, public and private, and blended and innovative sources of financing. It recommended, inter alia, ensuring country ownership and leadership in developing financing strategies, making use of all financing flows in a holistic way and exploiting the synergies across the economic, environmental and social dimensions of sustainable development (see A/69/315). The report of the Committee, along with other relevant inputs, will provide background materials for the third International Conference on Financing for Development, to be held in Addis Ababa, in July 2015.

20. Forest finance also holds a prominent position in the proposed sustainable development goals. In its proposal, the Open Working Group on Sustainable Development Goals agreed to include a target on means of implementation under goal 15, which addresses sustainable forest management, to "mobilize significant resources from all sources and at all levels to finance sustainable forest management and provide adequate incentives to developing countries to advance such management, including for conservation and reforestation" (see A/68/970 and Corr.1).

21. The presence of a proposed target on forest finance specifically, in addition to proposed targets with implications for sustainable forest management such as on financing climate change, under goal 13, and on terrestrial ecosystems, under goal 15, is a clear indication of the recognition by Member States of the importance of sustainable forest management financing as a building block of sustainable development and of the post-2015 development agenda.

B. Performance of the facilitative process

1. Activities and outputs

22. The facilitative process of the Forum has also continued to assist developing countries to mobilize financing for forests. The process was designed as an advisory process rather than a funding mechanism, to work in partnership with countries and with financing and funding processes. Since its inception, it has implemented three projects, with the organization of 11 workshops and the participation of more than 110 countries and 14 international organizations and donors.

23. The first two projects focused on (a) financing sustainable forest management in small island developing States and low-forest-cover countries, with funding from the Global Environment Facility and the Department for International Development of the United Kingdom; and (b) financing sustainable forest management in Africa and the least developed countries, with support from the Government of Germany. Both were completed during the most recent intersessional period.

24. In particular, two workshops were held as part of the above-mentioned projects:

[4] Available from http://unff-fp.un.org/wp-content/uploads/2013/08/AGF_Study_July_2012.pdf.

(a) A workshop on a common forest financing strategy in small island developing States, low-forest-cover countries, Africa and the least developed countries, held in Addis Ababa from 3 to 5 June 2013. The resulting common forest financing strategy lays the basis for the future work of the facilitative process in assisting countries in developing national forest financing strategies and, eventually, in assisting in developing specific programmes and designing projects to implement the instrument;

(b) A workshop on online media literacy and grant applications, held in New York from 8 to 12 September 2014. The workshop highlighted the need for further assistance in building capacities to harness forest financing more effectively.

25. A wide range of written outputs was produced, including reports on the workshops, a set of policy briefs summarizing the main findings, a substantive paper on forest financing in small island developing States and low-forest-cover countries and a peer-reviewed article to be published in the *International Forestry Review*. The project on small island developing States and low-forest-cover countries produced four short pedagogical films highlighting grass-roots and cross-sectoral examples of forest financing in small island developing States and low-forest-cover countries, in collaboration with the Department of Public Information.

26. Finally, an interactive website was developed for the facilitative process. The site serves as a repository for all documents resulting from the Forum's projects on forest financing and also links to all available sources of information on forest financing. In addition, the website contains an interactive component enabling forest finance stakeholders to upload their own information and databases and advertise events.[5]

27. Regarding the third project, the Forum secretariat secured funding from the eighth tranche of the Development Account for a project aimed at harnessing climate change financing for sustainable forest management. The sharp growth in international financial commitments to mitigate and adapt to climate change represents a major opportunity for forest financing, especially as much of this funding can also contribute significantly towards implementing sustainable forest management.

28. The project addresses the mandate of the facilitative process as regards examining "the implications on broader forest financing of new and emerging forest-related financing initiatives relating to the three Rio Conventions" (see E/2011/42-E/CN.18/2011/20, chap. I, sect. B, para. 34). In doing so, it attempts to bridge two parallel sets of intergovernmental processes, namely, discussions on forest financing within the Forum and those on climate financing in the context of the Conference of the Parties to the United Nations Framework Convention on Climate Change.

29. Within this project, the Forum secretariat partnered with three subregional organizations, namely, the Economic Cooperation Organization, the Southern African Development Community (SADC) and the Secretariat of the Pacific Community. It works primarily at the subregional level, thus contributing towards fulfilling the mandate of the Forum on regional cooperation, as stated in the resolutions of the ninth and tenth sessions of the Forum.

30. The project, which is currently being implemented, was launched with the commissioning of four studies on existing and potential sources of climate financing for sustainable forest management, one at the global level, one in the subregion of the Economic Cooperation Organization, one in the subregion of SADC and one in

[5] See http://unff-fp.un.org.

the subregion of the Secretariat of the Pacific Community. The studies were followed by the organization of one workshop in each subregion, leading to the endorsement of key action points that formed the basis of subregional strategies to harness climate financing for sustainable forest management, which have since been developed and are currently being implemented.

31. Three workshops have taken place under the climate financing project funded by the Development Account:

(a) A workshop on harnessing climate financing for forests in the subregion of the Economic Cooperation Organization, co-organized by the Forum and the Economic Cooperation Organization, held in Tehran from 29 April to 1 May 2014;

(b) A workshop on harnessing climate financing for forests in the subregion of SADC, co-organized by the Forum and SADC, held in Johannesburg, South Africa, from 7 to 9 October 2014;

(c) A workshop on harnessing climate financing for forests in the subregion of the Secretariat of the Pacific Community, co-organized by the Forum and the Secretariat of the Pacific Community, held in Suva from 28 to 30 October 2014.

32. Among the many key action points adopted in the three workshops, Economic Cooperation Organization member States have called for the preparation of a subregional project proposal, to be funded by multilateral financing institutions, and member States of SADC and the Secretariat of the Pacific Community both requested assistance from the Forum secretariat in building capacity to apply for international funding for sustainable forest management, whether from the climate change financing sector or other sources. The results of the workshop in the Economic Cooperation Organization subregion were highlighted in General Assembly resolution 69/111 as an important area of further cooperation between the United Nations and the Economic Cooperation Organization.

33. In line with the Forum's consistent calls for further cooperation with partners on forest financing (see E/2011/42-E/CN.18/2011/20, chap. I, sect. B, para. 34), in particular the secretariats of the Convention on Biological Diversity, of the United Nations Convention to Combat Desertification in Those Countries Experiencing Serious Drought and/or Desertification, Particularly in Africa and of the United Nations Framework Convention on Climate Change (Rio Conventions), the Forum secretariat has initiated many requests to enhance such cooperation. This included a request to collaborate with the secretariat of the United Nations Framework Convention on Climate Change for a project on harnessing climate financing for sustainable forest management and a request to cooperate with the Standing Committee on Finance of the United Nations Framework Convention on Climate Change, whose third forum will focus on forest finance. To enable greater success in promoting such collaboration in the future, it is imperative for countries to ensure the necessary coordination and consistent messaging among their participating representatives in the meetings of the Conference of the Parties to the United Nations Framework Convention on Climate Change and in the sessions of the United Nations Forum on Forests.

34. The outputs of the three projects implemented by the facilitative process during the most recent intersessional period point towards a set of six conclusions:

(a) Barriers to forest financing exist at all levels. While on the one hand, levels of financing remain insufficient, on the other, even existing official development assistance (ODA) fails to get allocated to forest financing, mainly as a result of the limited absorptive capacity of many developing countries;

(b) A holistic approach is crucial to understanding and increasing forest financing. Financing landscapes are highly complex. In particular, the multiple values of forests can be enhanced through appropriate instruments, and in certain circumstances, sources from outside the sector can be critical in supporting sustainable forest management;

(c) Forest financing needs to be approached at three levels: (i) at the national level, there is no "one-size-fits-all" approach and each country has its own specific financing landscape, (ii) at the regional level, there remains a useful opportunity for exchanging experiences and learning best practices, and (iii) at the international level, tremendous potential exists to seek global cooperation that is beneficial to all countries;

(d) The private sector represents an untapped opportunity. Private financing holds enormous potential but is generally drawn to activities that maximize economic profit, which may or may not coincide with sustainable forest management priorities. Public financing could play a key leveraging role, but monitoring systems should be implemented to ensure that private sources are truly conducive to sustainable forest management;

(e) Capacity-building has been identified time and again as a bottom-up approach to addressing the lack of absorptive capacity, especially in two areas: (i) identifying and harnessing financing by preparing bankable funding proposals, and (ii) enhancing national focal point capacity, particularly in terms of the ability to reach out to other relevant governance entities;

(f) Forest financing strategies have been repeatedly identified as a potential solution in enhancing coordination at the national and regional levels to harness sustainable forest management financing. A forest financing strategy, whether national or regional, sets forth a set of realistic actions needed to improve and increase sustainable forest management financing and allocates deadlines and responsibilities to each action.

2. Assessment of the impact of the facilitative process

35. In just over five years, the facilitative process has produced a wealth of results and shown significant potential for development. It has enabled a clearer understanding of the forest financing landscape, its complexity, the multiplicity of sources and the unequal allocation of funds, both geographically and in terms of the thematic elements of sustainable forest management.

36. The focus on small island developing States, low-forest-cover countries, Africa and the least developed countries has increased awareness of forest financing needs in those countries, both at the national level and among international donors. As reported by the Global Environment Facility, the second workshop on forest financing in small island developing States, co-organized by the Forum secretariat and the Economic and Social Commission for Asia and the Pacific, in Nadi, Fiji, from 23 to 27 July 2012, facilitated the creation of a set of interlinked projects funded by the Facility, known as the "Ridge to Reef" programme. The programme,

which brings together 14 Pacific small island developing States, has received $90 million from the Facility and another $333 million from co-financing sources.[6]

37. The inputs derived from the intersessional activities on the future of the international arrangement on forests all voiced their support for continuing to strengthen the facilitative process so as to realize its full potential. This includes developing the process into a catalytic mechanism, modifying its functions to be more goal- and practice-oriented, and strengthening it to assist countries in overcoming forest financing obstacles and taking advantage of existing opportunities.

38. In the views and proposals submitted on the international arrangement on forests to the Forum by member States, the facilitative process met with positive reviews from both developed and developing countries.

39. The outcomes of the first meeting of the Open-ended Intergovernmental Ad Hoc Expert Group on the International Arrangement on Forests include suggestions on turning the facilitative process into a "voluntary global forest mechanism", possibly with regional offices. It also suggests considering setting up a unit within the Forum secretariat mandated to oversee an enhanced facilitative process (see E/CN.18/2015/10, annex).

40. The facilitative process was also positively reviewed in the report of the team of independent consultants on the independent assessment of the international arrangement on forests, which identified the process as a key achievement of the international arrangement on forests in its current form.[7] Likewise, participants in the workshop hosted by China, in Beijing, from 29 to 31 October 2014 (see E/CN.18/2015/9), also recognized the positive contributions of the facilitative process, making the following concrete suggestions for its further improvement:

(a) Providing a clearing house to identify available sources of funding and assisting countries in connecting with potential funding sources, including information about existing clearing-house operations in other parts of the United Nations;

(b) Encouraging South-South cooperation, North-South cooperation and triangular partnerships;

(c) Creating a process at the regional level for step-by-step development of regional funding and/or regional forest funds;

(d) Encouraging the private sector to play a greater role in interconnected sectors through a landscape management approach, as well as through public-private partnerships and corporate social responsibility initiatives.

41. At its second meeting, the Expert Group also suggested that the facilitative process could advise and assist countries in developing short-, medium- and long-term financing strategies for implementing sustainable forest management, the non-legally binding instrument on all types of forests and the global objectives on forests; accessing financing from a range of sources; attracting investment, including improving enabling environments; brokering funding and connecting with potential technical cooperation partners; overcoming financing obstacles;

[6] Further information on the "Ridge to Reef" programme is available from www.thegef.org/gef/node/10726.

[7] The report on the independent assessment of the international arrangement on forests is available from www.un.org/esa/forests.

encouraging South-South, North-South and triangular cooperation; and encouraging the private sector to play a greater role (see E/CN.18/2015/11).

42. In spite of such enthusiasm, it should be noted that in order to perform its mandate, the facilitative process relies entirely on sporadic and voluntary financial contributions. The level of funding provided to the facilitative process (which has not exceeded $3.6 million since its creation in 2009) has been in no way sufficient to allow it to perform the functions originally assigned to the process in the resolution of the special session of the ninth session of the Forum and those further assigned to it at the ninth session of the Forum (see para. 6). Both financial and human resources therefore act as a major bottleneck for the outputs of the facilitative process.

43. Stronger performance of the facilitative process will ultimately depend on the provision of sufficient extrabudgetary resources. In addition, the Forum secretariat, which is responsible for running the facilitative process, should be strengthened with additional human and budgetary resources from the regular budget of the United Nations, as emphasized in the first and second meetings of the Expert Group and in the report on the independent assessment of the international arrangement on forests.

IV. Means of implementation as an integral part of the future of the international arrangement on forests: the way forward

44. According to resolution 10/2, adopted at the tenth session of the Forum, financing sustainable forest management should be an integral part of the decision of the eleventh session of the Forum on the future of the international arrangement on forests. In devising a successful and efficient future for the international arrangement on forests, it is important to emphasize that the financing dimension has two key components, namely, financing sustainable forest management and funding the institutions of the international arrangement on forests, in the future.

45. Responsibility for financing the institutions of the international arrangement on forests in the future lies with members of the Forum, bearing in mind that financing sustainable forest management goes beyond the international arrangement on forests and involves engagement with a broader set of players, who are not necessarily part of the international arrangement on forests as currently established. The Forum, at its eleventh session, should therefore address both of those aspects in a resolution. In particular, it should be ensured that the institutions of the international arrangement on forests in the future are provided with the necessary resources for their effective functioning, including for sessions of the Forum, the participation of members, intersessional activities and for the work of related committees and standing institutions such as the Forum secretariat and the Forum Trust Fund.

A. Financing sustainable forest management

46. The forest financing landscape is a complex one, with a wide range of organizations already working on increasing levels of funding for sustainable forest management worldwide. Financing sustainable forest management is a collective responsibility that requires broad participation. Addressing the challenge of financing sustainable forest management requires the active participation of all Governments, relevant processes, the secretariats of conventions, international,

regional and national organizations, as well as the private sector, civil society and philanthropic foundations.

47. Voluntary national reports submitted for the eleventh session of the Forum illustrate the considerable variety of existing funding sources and mechanisms, including national budget allocation, national, regional and international funds, levies and taxes of different kinds, official development assistance and foreign direct investments, including from pension funds and other investors, all the way to cutting-edge mechanisms such as REDD-plus and payments for ecosystem services. In this regard, all potential sources of financing for forests have to be utilized and considered in mobilizing resources for sustainable forest management.

48. The summary of the first meeting of the Expert Group and the report on the independent assessment of the international arrangement on forests both call for an integrated approach to the Forum's work on forest financing, taking into account all existing and potential sources of financing for sustainable forest management. Both call for renewed efforts to address all sources of finance, including official development assistance, multilateral and bilateral assistance, REDD-plus, the Green Climate Fund, the private sector and national forest funds, as well as the global forest fund, if established, including through the better use of existing funds, as well as capacity-building, technical assistance and technology transfer.

49. The independent assessment suggests integrating the REDD-plus mechanism and the development of forest-based nationally appropriate mitigation actions into this approach as policy instruments that deliver innovative funding technologies and capacity-building to conserve and sustainably manage forests in all countries.

50. In this regard and as highlighted in the report on the independent assessment of the international arrangement on forests, the Forum could continue working with all States members of the Forum and all key players, within and outside of the Forum, to improve the geographical distribution of forest financing, particularly official development assistance.

51. The Forum could further collaborate with member States and regional organizations in the establishment of national and/or regional forest financing strategies. With its mandate to develop such strategies, its holistic and cross-sectoral approach that takes account of the complexity and diversity of forest financing landscapes and the Forum's long-standing experience in providing policy advice, the facilitative process stands in a privileged position to address this area of work.

52. The Forum could also develop its capacity-building activities with member States and regional organizations in order to harness forest financing more effectively. The first workshop on online media literacy and grant applications highlighted not only the need for such workshops but also the demand from member States for acquiring the necessary skills in securing additional official development assistance, concessional loans and innovative mechanisms, among other sources of international public finance. Such collaboration with member States could also be extended to building capacity and improving enabling conditions to access private finance.

53. The two measures proposed above (assisting in establishing forest financing strategies and supporting capacity-building activities) are complementary and synergistic, addressing the issue from both ends of the spectrum by promoting coherent and informed policies on the one hand and by providing necessary skills at the level of experts and technical staff, on the other.

B. Financing the international arrangement on forests

54. Many suggestions have been put forward regarding financing the international arrangement on forests in the future, including the establishment of a voluntary global forest fund, linked to the sustainable forest management-related needs of developing countries, under the aegis of the Forum (see, for example, Forum resolution 10/2). The report on the independent assessment of the international arrangement also contains many suggestions on both of these aspects. In order to address those issues, the report recommends the establishment of trust funds to address three key elements related to financing sustainable forest management and funding institutions of the international arrangement on forests, namely, supporting the functioning of the Forum, supporting the planning and implementation of the strategic plan of the Forum and catalysing the implementation of the instrument at both the national and regional levels. For practical reasons, it is important to separate the resources for funding the institutions of the international arrangement on forests from the funds allocated to implementing sustainable forest management.

55. If member States at the eleventh session of the Forum agree with the suggestion outlined above, a strategic trust fund could be established and tailored to the needs of the international arrangement on forests and could address, to some extent, the financing needs of both the institutions of the international arrangement on forests in the future and of sustainable forest management more broadly. It would need to be sufficiently flexible to accommodate contributions from a wide variety of sources, as suggested at the second meeting of the Expert Group. The resources of the strategic trust fund could be allocated by the Forum on matters related to implementing and financing the instrument, through the facilitative process.

56. Looking ahead, it is also necessary to place the facilitative process within broader discussions on forest financing in the context of the future of the international arrangement on forests. In this regard, the resources of the strategic trust fund for implementing the instrument could be channelled, in particular through the facilitative process, for areas of work such as:

(a) Building capacity and transferring technology under mutually agreed terms;

(b) Developing financing strategies for sustainable forest management, as well as national action plans for implementing the instrument and preparing relevant national reports on the implementation progress;

(c) Providing assistance to member States in designing projects and programmes aimed at implementing the instrument by accessing existing funds, in particular those of financial institutions, such as the Global Environment Facility, the Green Climate Fund and regional development banks, in accordance with their criteria;

(d) Advancing collaboration among regional and thematic groups of countries, such as small island developing States, low-forest-cover-countries and African countries in accessing financing for sustainable forest management;

(e) Assisting member States in designing projects and programmes on sustainable forest management and assisting them in securing financial resources for their implementation.

V. Forest law enforcement and governance

A. Forest law enforcement and governance and the Forum

57. At its seventh session, in 2007, the Forum decided that forest law enforcement and governance would be a cross-cutting issue considered at each session, alongside the means of implementation. The Forum further decided that member States should review and, as needed, improve forest-related legislation, strengthen forest law enforcement and promote good governance at all levels in order to support sustainable forest management, so as to create an enabling environment for forest investment and to combat and eradicate illegal practices according to national legislation, in the forest sector and other related sectors (see E/2007/42-E/CN.18/2007/8 and Corr.1, see also General Assembly resolution 62/98).

58. Also at its seventh session, the Forum decided that member States should strengthen the capacity of countries to address forest-related illegal practices, including wildlife poaching, according to domestic legislation, through enhanced public awareness, education, institutional capacity-building, technology transfer and technical cooperation, law enforcement and information networks (see E/2007/42-E/CN.18/2007/8 and Corr.1, see also General Assembly resolution 62/98).

59. At its ninth session, in 2011, the Forum invited member States, members of the Collaborative Partnership on Forests and other relevant stakeholders to explore, develop and improve an enabling policy environment to strengthen forest law enforcement and governance, attract long-term investment and finance in sustainable forest management, clarify and strengthen the security of tenure rights and enhance the fair and equitable sharing of benefits and responsibilities with indigenous peoples and local communities whose livelihoods depend directly on forests (see E/2011/42-E/CN.18/2011/20, chap. I, sect. B).

60. The 2012 study on forest financing of the Advisory Group on Finance[4] highlighted the importance of good forest governance and law enforcement in relation to forest finance, particularly in decreasing risk, thus making the forest sector more attractive to investments by the private sector.

61. At its tenth session, in 2013, the Forum invited member States, the donor community and other relevant stakeholders, as appropriate, to review and improve forest-related legislation, strengthen forest law enforcement and promote good governance at all levels in order to support sustainable forest management, to create an enabling environment for forest investment and to combat and eradicate illegal practices, as well as to promote secure land tenure, in accordance with national legislation, policies and priorities (see E/2013/42-E/CN.18/2013/18, chap. I, sect. B, resolution 10/2).

B. Additional national, regional and international activities

62. A wide range of activities has taken place at the national, regional and international levels with regard to forest law enforcement and governance.

63. In the early 2000s, several regions decided to take action to curb illegal logging, which is regarded as a primary cause of environmental degradation and represents an important loss of national revenue. East Asia was the first to organize

a ministerial conference on forest law enforcement and governance, held in Bali, Indonesia, in 2001, resulting in the first-ever declaration on elaborating measures to combat illegal logging. In 2003, a similar summit was held for Africa, in Yaoundé, and in 2005, in St. Petersburg, Russian Federation, for Europe and North Asia.[8]

64. Also in the early part of that decade, the European Union adopted an Action Plan for Forest Law Enforcement, Governance and Trade, drawing on lessons learned from regional forest law enforcement and governance processes and incorporating the special circumstances of the European Union as a consumer region of tropical timber, hence the emphasis on trade. The Action Plan focuses on preventing the illegal import of timber into the European Union, improving the supply of timber and increasing the demand for timber from sustainably managed forests.

65. The Action Plan was strengthened with the creation of bilateral voluntary partnership agreements between the European Union and individual producer countries. These legally-binding trade agreements aim to ensure that timber products exported to the European Union come from legal sources, and contain a set of stringent monitoring measures, ensuring a watertight system for preventing illegally produced forest products from reaching the European Union. At the time of writing, six countries had signed voluntary partnership agreements with the European Union, while another nine were in negotiations for such agreements.

66. The European Union has also partnered with the non-governmental organization TRAFFIC International to catalyse initiatives to control the origin of timber and improve forest management in four countries in Latin America, namely, Brazil, Colombia, Ecuador and Peru, in a bid to bring timber trade into line with the objectives of the Action Plan. In particular, this project aims at increasing knowledge of forest law enforcement, governance and trade in South America and establishing a benchmark against which to measure changes in forest governance.[9]

67. In the United States, the Lacey Act, originally enacted in 1900, was the country's first major wildlife protection statute. Until recently, the Act contained only limited restrictions on trade in illegally sourced plants and plant products, but in 2008, the United States Congress amended the Lacey Act, making it unlawful to traffic in plants or plant products taken in violation of any laws of the United States or of state, tribal or foreign governments, that are intended to protect plants.

68. Under the Lacey Act as amended in 2008, importers of plants and plant products are required to file a declaration upon importation identifying specific information about the plant or plant product being imported. Enforcement of the declaration requirement is being phased in by the Government of the United States and currently applies to certain specified types of wood products.

69. The Lacey Act has long been known to be a reliable and successful instrument to combat illegal wildlife trade. Along with the Action Plan for Forest Law Enforcement, Governance and Trade of the European Union, the Lacey Act has been hailed as a major step towards combating illegal logging, both in developing and developed countries.

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[8] Much of the data in section V.B. of the present report was provided by the Forest Legality Alliance, an initiative of the World Resources Institute and the Environmental Investigation Agency (see www.forestlegality.org/).

[9] For further information, see https://ec.europa.eu/europeaid/regions/latin-america/flegt_en.

70. In November 2012, Australia's Illegal Logging Prohibition Act received Royal Assent, enabling its immediate implementation. The Act is aimed at preventing the import of illegally harvested timber products, but also at banning the processing in Australia of illegally logged timber. Unlike the Lacey Act, it stipulates that Australian operators may not knowingly, intentionally or recklessly engage in importing or processing illegally logged timber products.

71. Developed countries are not the only ones to have taken unilateral or bilateral action against illegal logging. Voluntary national reports for the eleventh session of the Forum show that a wide range of countries have developed and implemented legislation since 2007 to further combat the illegal trafficking of forest products. Many have reported on new or amended public procurement policies, including in Georgia, Ghana and Jamaica, while others have tightened the monitoring and verification of chains of custody and tracking systems of forest products, including in Liberia, Papua New Guinea and the Philippines. Others have imposed a complete ban on log exports, both as a means of encouraging timber processing and in a bid to stem the export of illegally processed timber.

72. At the bilateral level, in 2011, China and Japan signed a memorandum on combating illegal logging and associated trade for sustainable forest management. Both Governments agreed to make efforts to develop a system for verifying the legality of timber products that are domestically harvested, processed and distributed, as well as imported and exported.

73. At the subregional level, Kenya, Uganda and the United Republic of Tanzania established the East Africa Initiative on Illegal Timber Trade and REDD-plus in June 2014, an innovative cross-border mechanism supported by Norway, which will be implemented in collaboration with the International Criminal Police Organization (INTERPOL), the Food and Agriculture Organization of the United Nations, the United Nations Development Programme, the United Nations Environment Programme and the United Nations Office on Drugs and Crime.

74. A set of five country-led initiatives in support of the United Nations Forum on Forests, held between 2004 and 2015 and co-organized by Indonesia, Mexico, South Africa, Switzerland and Ukraine, have highlighted the progress made and the gaps and challenges remaining in terms of forest governance and decentralization in each region of the world.[10]

75. While each country-led initiative focused on a specific aspect of forest governance (such as decentralization, REDD-plus, the green economy and the future of the international arrangement on forests), all of them pointed to the same lesson: the ubiquity of problems in translating international agreements into action at the national level, while ensuring knowledge and value in multi-level governance. Each level of forest governance (local, national, regional or international) is increasingly fragmented and comes with its own set of stakeholders, yet each level influences the others in a variety of ways, notably through interlinked institutions and the spread of ideas and of financial resources.

76. Progress has also been made at the international level. In March 2012, INTERPOL hosted the first International Chiefs of Environmental Compliance and Enforcement Summit, during which participants agreed that while national and

[10] The country-led initiatives were held as follows: Interlaken, Switzerland (2004), Durban, South Africa (2008), Oaxaca, Mexico (2010), Lviv, Ukraine (2012) and Interlaken, Switzerland (2015).

international efforts have been developed to address the issue of illegal logging, coordinated international investigations and enforcement efforts remained weak.

77. In particular, INTERPOL set up a project regarding law enforcement assistance for forests (Project Leaf) aimed at raising awareness of the impact of illegal logging, developing law enforcement capacity, enhancing intelligence-sharing and establishing national environmental security task forces for further cooperation between national agencies and international partners. One of the greatest advantages of INTERPOL is its expertise in identifying financial crimes, including money-laundering, which is a useful means of tracking illegal logging flows.

78. One major development related to forest governance is the agreement on the REDD-plus safeguards. At the sixteenth session of the Conference of the Parties to the United Nations Framework Convention on Climate Change, held in Cancun, Mexico, in 2010, participants recognized the need for a set of REDD-plus safeguards that include ensuring that REDD-plus actions are consistent with national forest programmes and international conventions and agreements; that REDD-plus governance structures remain transparent and effective; and that the structures respect the knowledge and rights of indigenous and local communities (see FCCC/CP/2010/7/Add.1, decision 1/CP.16).

79. However, monitoring the implementation of REDD-plus safeguards remains a challenge. At the seventeenth session of the Conference of the Parties to the United Nations Framework Convention on Climate Change, held in Durban in 2011, an agreement was reached about creating a safeguards information system to ensure transparency, consistency, comprehensiveness and effectiveness, based on national reporting, every four years.[11]

80. Another important development related to forest governance is the agreement on the Voluntary Guidelines on the Responsible Governance of Tenure of Land, Fisheries and Forests in the Context of National Food Security. Guidelines were endorsed by the Committee on World Food Security on 11 May 2012 and aim to promote secure tenure rights and equitable access to land, fisheries and forests as a means of eradicating hunger and poverty, supporting sustainable development and enhancing the environment.[12]

81. In May 2014, the United Nations Office on Drugs and Crime launched its four-year Global Programme for Combating Wildlife and Forest Crime. The programme aims to deliver specific technical assistance for strengthening national capacity to tackle crimes against protected species of wild flora and fauna. An analytical toolkit has already been set up to this effect.

82. The World Bank also has a long-standing programme on forest law enforcement and governance, building on regional experiences in Asia, Africa, Europe and North Asia. One example is the "European Neighbourhood and Partnership Instrument East Countries Forest Law Enforcement and Governance II" programme, which promotes sustainable forest management in Armenia, Azerbaijan, Belarus, Georgia, the Republic of Moldova, the Russian Federation and Ukraine, building on the first project of its kind.

[11] For further information, see http://reddplussafeguards.com/?p=274.

[12] Available from www.fao.org/nr/tenure/voluntary-guidelines/en/.

83. The International Tropical Timber Organization has also set up activities to tackle international trade in illegal timber products, starting with its thematic programme on forest law enforcement, governance and trade, launched in 2009 to strengthen compliance with the law and governance among States members of the Organization. More recently still, the Organization signed an agreement with the European Union, in 2013, to implement a large project for assessing whether the implementation of the Action Plan for Forest Law Enforcement, Governance and Trade and of voluntary partnership agreements is having a positive impact on European timber markets.

84. The Convention on International Trade in Endangered Species of Wild Fauna and Flora, which entered into force in 1975, is the longest-standing international initiative relating to forest law enforcement and governance. There are 180 parties to the Convention as a result of which it has been particularly effective in controlling international trade in the forest species listed in appendix I to the Convention and in monitoring and controlling international trade in the hundreds of timber species listed in appendix II thereto. However, it does not cover illegal trade of non-endangered species.

C. Performance of forest law enforcement and governance

85. There is general consensus that the international trade in illegally harvested timber products has dropped substantially in the past decade. Modern technologies such as global positioning system devices and other tracking tools have vastly increased transparency in the movement of timber products. Timber recording and tracking is easiest at specific bottlenecks, notably at border crossings and seaports, which partly explains why the implementation of measures on international trade has been particularly effective in curbing the phenomenon. However, problems remain in some trade flows on which forest law enforcement and governance instruments have no impact, such as domestic and regional trade between developing countries.

86. Despite such progress, global coverage of forest law enforcement and governance measures remains unequal, with some countries and regions better equipped than others to combat illegal harvesting of and trade in forest products. In addition, while a number of measures have been implemented to address international trade in timber products, especially between southern and northern countries, domestic, regional and South-South trade has not always received adequate attention. Both the uneven coverage and the lack of regulation applicable to domestic, regional and South-South trade allow for the exploitation of loopholes and encourage leakage, both of which risk weakening global efforts to improve forest law enforcement and governance.

VI. Forest law enforcement and governance: the way forward

87. In the past 15 years, forest law enforcement and governance has often been at the forefront of forest policies. High-level political attention, a multi-pronged approach on the basis of a range of complementary instruments, including legislative reform and voluntary schemes and partnerships, and improved information and communications technologies have all contributed to this success in prioritizing forest law enforcement governance in such policies. Synergies and complementarities, supported by

collaboration between organizations and mutual recognition of their different mechanisms, have also reinforced the worldwide fight against illegal logging.

88. However, in the absence of a universal framework to promote forest law enforcement and governance, the piecemeal and ad hoc accumulation of different mechanisms at various levels has created a crowded and complex landscape of legislations, which differ from one region to the next. Navigating this complex landscape can be a major challenge and could constitute a risk for investment in the forest sector. Moreover, the plurality of legislations contributes to blurring the boundaries between legal and illegal practices, creating a grey zone that weakens the global fight against illegal logging.

89. In addition, while some regions are covered by effective mechanisms that have all but eradicated illegal timber harvesting and trade, others have been largely left out. Illicit practices that are sanctioned in certain regions might be tolerated in others, creating important gaps in the current forest law enforcement and governance landscape that could encourage the exploitation of loopholes and leakages, thereby limiting the effectiveness of the entire set of measures to promote forest law enforcement and governance.

90. In the light of the above-mentioned considerations, three major aspects of the current forest law enforcement and governance landscape need to be addressed. A global review of all forest law enforcement and governance measures would need to be carried out in order to better understand the forest law enforcement and governance landscape as a whole. This would help identify which gaps still remain so that they can be better addressed and the problem of potential leakage can be reduced.

91. In surveying the global forest law enforcement and governance landscape, which encompasses a multitude of different measures, best practices need to be identified at all levels so that they can be adapted to the geographical and thematic gaps where forest law enforcement and governance measures are currently insufficient or ineffective. This would enable the overall forest law enforcement and governance architecture to be both more coherent and effective.

92. The nexus between forest law enforcement and governance and forest finance needs to be better understood. Forest law enforcement and governance is an important building block of an enabling environment that encourages investment, particularly foreign direct investment, into the forest sector. However, the accumulation of laws and rules can increase transaction costs, to the extent that it might discourage investment. The aim is to identify the middle ground in which forest law enforcement and governance and forest finance are most supportive of each other.

93. The latest country-led initiative, held in Interlaken, Switzerland, in February 2015 also makes concrete recommendations on improving forest law enforcement and governance at the global level, including through providing a platform to share experiences and lessons learned on forest governance, to attract and engage the private sector and other major groups, to strengthen policies and regulations for improving enabling environments and attracting investment and to inform REDD-plus processes on broader forest governance issues and help operationalize safeguards in the framework of REDD-plus.

VII. Conclusions

94. The areas of finance and forest law enforcement and governance have arguably been the most rapidly evolving aspects of forest policies in recent years. Both are particularly dynamic domains where the ad hoc accumulation of initiatives has created crowded, complex landscapes with limited international coordination or coherence. Both areas would greatly benefit from enhanced coordination at the international level.

95. In the area of finance, the facilitative process of the Forum stands in a privileged position to contribute to enhanced coordination, if its scope and functions are appropriately expanded. However, if the facilitative process is to play a major role in the future of the international arrangement on forests to assist countries in catalysing financing for forests, there should be a substantial increase in the resources of the process to perform its expanded functions. In the same vein, the secretariat should be strengthened with sufficient human and budgetary resources to further pursue the operationalization of various functions of the facilitative process.

96. Likewise, there is no doubt that gaps in forest law enforcement and governance remain, and that existing and sometimes overlapping initiatives could be further harmonized, in order for the fight against illegally harvested forest products to be more effective.

97. A set of proposed key action points on both the means of implementation and forest law enforcement and governance, which reflects the points above, is contained in the report of the Secretary-General on reviewing the effectiveness of the international arrangement on forests and consideration of all future options, including in the conclusions and recommendations of that report.